### @ 07hr\_SC-CUR\_sb0107\_pt15



Details:

(FORM UPDATED: 08/11/2010)

# WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

### Senate

(Assembly, Senate or Joint)

Committee on ... Commerce, Utilities, and Rail (SC-CUR)

### **COMMITTEE NOTICES ...**

- Committee Reports ... CR
- Executive Sessions ... ES
- Public Hearings ... PH

### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... Appt (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... CRule (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)

(ab = Assembly Bill)

(ar = Assembly Resolution)

(ajr = Assembly Joint Resolution)

(sb = Senate Bill)

(**sr** = Senate Resolution)

(sir = Senate Joint Resolution)

Miscellaneous ... Misc



West Allis Community Communications Corporation 2006 ANNUAL REPORT

Presented at the 25th Annual Membership Meeting March 14, 2007

# West Allis Community Communications Corporation 25th Annual Report - 2006



### West Allis Community Media Center Channel 14 - West Allis

7210 W. Greenfield Ave. West Allis, WI 53214 (414) 321-1121 Fax: (414) 321-3880 www.wacmc.org

### 2006 Board of Directors

President	Pamela Zorko
Vice President	Dave Jonasen
Secretary	Matthew Perta
Treasurer	Jerry Kucharski

Colleen Baker

Jennie Farrington Patricia Hladilek

Jeanna Barney Frank Bialek

Nya Kwaiwon Taryor, Jr.

Sharon Rhode

### 2006 Staff

Executive Director	Mary M. Shanahan-Spanic
Production Facilitator/Channel	Scheduler Craig A. Mueller
Production Facilitator	John Majewski
Graphic Design Intern	Alex Schofield



### From the Director's Chair



Mary Shanahan-Spanic Executive Director

Dear WACCC Members,

In the early 1980's, the cable company used the concept of community television to win franchises. They offered TV production resources as a public relations tool. It proved to be an intriguing and valuable opportunity for many organizations and individuals.

Throughout its 25-year history, community television in West Allis has served as the most effective resource for the public to create its own full length unedited messages and stories and share them with friends, family, neighbors and much of the community in their homes This unique opportunity called "public access television" caught on quickly.

Some of the early show hosts included Bill Jensen, Jim Nichol, Joyce Rode and Jim Henderson. The West Allis Senior Center, West Allis Police Department and West Allis Unit of the League of Women Voters all produced monthly programs.

But, after the cable company reached their expected 50% of potential customers, they no longer felt they needed community TV as a marketing tool. They discontinued their commitment by cutting back on facilitators and did not replace failing equipment. This caused interest to fade.

Then, in the renegotiation of the 1996 cable contract, the City of West Allis put

the management of community television into the hands of the West Allis Community Media Center. Under the guidance of a nonprofit organization's board and staff, the channel came alive again. Our two and one half person staff currently facilitate 16 monthly series, many individual programs and an active community bulletin board. After 25 years, the "people" continue to want, need and utilize this opportunity to communicate with the public without an editor or gatekeeper interpreting their ideas.

Individual citizens and nonprofit agencies come to the West Allis Community Media Center which provides the tools and training necessary to successfully fulfill their communication goals. By sharing information and encouraging "public discourse", the volunteer producers impact the lives of people in our community. In a democratic society, Channel 14 serves as the Voice and Vision of the citizens.

We deeply honor every volunteer who has donated their valuable time and talent to keep the West Allis Community Media Center and Channel 14 alive over the years.

But, just as we celebrate our twenty five years of accomplishments, we need to concern ourselves with the stability of our funding. Recently, we have had national legislative threats. Currently, the State of Wisconsin has introduced a bill that would completely eliminate our funding and ability to continue. We must each let our voice be heard by our state representatives to make sure we can impact the legislation and continue to provide the tools and distribution vehicle to get the local programming content out to the local public.

Join us in this effort to save public access TV. We must persevere. The time is now!





- Production Workshops
  - ◆ Media Literacy Training
    - **◆ Community Bulletin Board**

### Mission

The mission of the West Allis Community Media Center is to be an educator and catalyst for the exchange of ideas and information. The Corporation provides access to communications technology, empowering individuals and organizations to work together in strengthening our sense of community.

### **Commitment to Diversity**

The Community Media Center of West Allis makes its services available to everyone regardless of income, education, race, gender, sexual preference, disability, or political persuasion. It encourages people to create, produce and cablecast television programs by, for and about life in West Allis.

### **Programming**

WACMC programming is aimed at the preservation, development and enhancement of diversity of thought, culture and heritage.

# Channel 14 Television Producers Earn Statewide Programming Honors

West Allis, Wisconsin (May 5, 2006) - 19 different WACMC Channel 14 community television programmers earned honors in the 8th Annual Wisconsin Association of Public, Educational and Government Access Channels (WAPC) Video Festival. The awards were presented on May 5th, 2006, in Madison, WI. Over 150 programs were entered from 30 communities across Wisconsin. West Allis producers were honored with a total of 17 awards, including three Excellence Awards.



#### Channel 14 - WACMC winners were as follows:

#### **Excellence Awards**

Children Category, **Boni Blachly & Lynn Kuhlman**, "Puppets on Assignment: Jack & the Peastalk"

Local Events Coverage Category, **Boni Blachly & Lynn Kuhlman**, "Travelog with Traveldog:
Harvest Fair"

Entertainment Category, Gary Wisner & Jane Kolinski, "Gary's Christmas Classics II"

#### **Achievement Awards**

Documentary Category, **Boni Blachley & Lynn Kuhlman**, "Travelog with Traveldog: Trainfest"

Entertainment Category, **John Ash & Mark Meddaugh**, "La Cuisine du Garage: Beer
Factor"

Entertainment Category, Satish R. Verma & Marjorie Logan, "West Allis Senior Center Amateur Variety Show 2005"

Magazine Format Category, Mike Glider & Phil Kiedrowski, "Mission: Possible- Episode 6"

Talk Show Category, **Matthew Perta**, "Artscape: Milwaukee International Film Festival Preview"

Talk Show Category, **Matthew Perta**, "Artscape: Rembrandt and his Time"

Talk Show Category, Craig Mueller, Vince Trovato, Chad Collins & Scott Bartell, "The Brew Crew Review #16"

#### **Merit Awards**

How to/Crafts Category, John Ash & Mark
Meddaugh, "Why (and how) We've Grown"
Local Events Coverage Category, Pam Zorko
& Jodi Lane, "Relay for Life 2005"

Promo Category, John Ash, Mark Meddaugh, Boni Blachly & Lynn Kuhlman, "Puppets/ La Cuisine Promo"

Series Category, **Gene Schwartz**, "It's Polka Time"

Sports Category, Craig Mueller, Vince Trovato, Chad Collins & Scott Bartell, "The Brew Crew Review #19"

Talk Show Category, Laurie Muffler, "Rockin' The Cable Show- Dennis DeYoung"

#### Significant Community Programming Award

WACMC Recipient, Pam Zorko & Jodi Lane, "Relay for Life 2005"

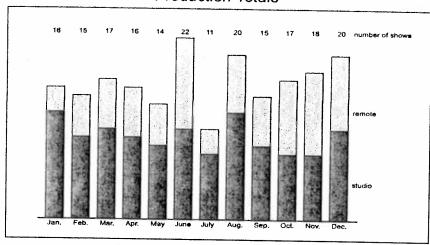
The Wisconsin Association of Public, Educational and Government Access Channels was formed in 1998 to provide PEG access staff with information on issues ranging from cable re-franchising, programming, fundraising, web site development and other relevant topics. The Video Festival which acknowledges both volunteer and staff produced programming is an annual event.

Congratulations to all of our West Allis community television award winners.



West Allis producers created 201 programs in 2006. 121 programs were produced in the WACMC studio and 80 programs were produced with WACMC digital video cameras at remote locations.

#### **Production Totals**







# The following community organizations, churches and schools are a sample of those who utilized the WACMC Community Bulletin Board in 2006.

Al Anon

Alzheimers Association

**American Cancer Society** 

**Beloit Road Baptist Church** 

**Broadway Across America** 

**Brookfield Players** 

Camp Heartland

Catholic Archdiocese

Chamber Theater

Childrens Service Society

City of West Allis

Community Alliance Against Drugs

Discovery World

Downtown West Allis BID

Easter Seals

Elaine Erickson Gallery

Epilepsy Foundation of SE Wisconsin

First Baptist Church of West Allis

First Spiritualist Church

First Stage Children's Theater

First United Methodist Church

Florentine Opera

Friends of Nathan Hale Baseball

Good Hope EDC

Good Shepard's Ev Church

Greater Milwaukee Chorale

Holy Assumption Church

Intandem Theater Co.

International Institute of WI

Kiwanis Club of West Allis

League of Women Voters Milwaukee County

Lupus Foundation of America

Marcus Center for the Performing
Arts

**MATC** 

Milwaukee Area Boy Scouts

Milwaukee Art Museum

Milwaukee Catholic Home

Milwaukee Choral Artists

Milwaukee Habitat for Humanity

Milwaukee Repertory Theater

Mt. Hope Lutheran Church

Mt. Hope Active Adult Center

National MS Society

**Next Act Theater** 

Pilot Club of Milwaukee

Renaissance Theaterworks

School District of West Allis/ West Milwaukee

Simmung Stunde

St. Gregory the Great

St. John's Lutheran Church

St. Mary Help of Christians

St. Matthews Parish

St. Sebastian Parish

St. Vincent Pallotti School

Sunset Playhouse

The Boulevard Ensemble Theater

The Actors Group, Inc. - Wauwatosa

The Center for the Deaf and Hard of Hearing

The Center to BE, Inc.

The Christ Child Society of Greater Milwaukee

The Parenting Network

The Village at Manor Park

Transit Now

**United Cerebral Palsy** 

University of Wisconsin

Wauwatosa Historical Society

West Allis Aglow

West Allis Chamber of

Commerce

West Allis Charities, Inc.

West Allis Community
Improvement Foundation

West Allis Historical Society

West Allis Lions Club

West Allis Nathan Hale High School Baseball Program

West Allis Players

West Allis Police Department

West Allis Senior Center

West Allis Special Olympics

West Allis Suburban Concert Band

Whitnall Park Rotary Club

Wisconsin Community Service Network

Wisconsin Dental Association

Wisconsin Historical Museum

Woman's Club of West Allis

World Harvest Church

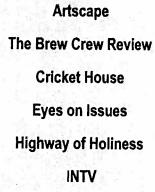
# **Series**





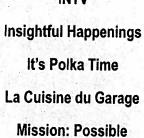






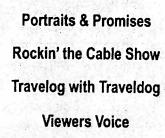




















# The following titles demonstrate types of programming produced in 2006:

#### **ENTERTAINMENT**

Batdance

Clark & Barry's Get Ready For Santa Spectacular

Herd Ewe

Puppets on Assignment: Baby It's Cold Outside

Travelog with Traveldog:

Reclaiming Our Heritage

Winter

Cricket House:

Checkmate

Espervecette

Intelligent Design

**Project Revolutions** 

Remixes

Rind Rend

International Clown Hall of Fame

INTV#3: What Are You Looking At?

It's Polka Time:

Ch. 14 Fundraiser 2006, Parts 1, 2 & 3

Christmas Show 2006

Len Strozinski and his Band

Jericho Road

Lachrymose

"Looking for Leo" Dramatic Play Reading

NFL Street 2007

Portrait of Artists

Provokyn Myndz:

Vol. 1 - Venues in Milwaukee

Vol. 2 - DJ Ton Neal, Virgo Birthday Bash

Rockin' the Cable Show:

Jayme Dawicki

Roger Hodgson

The Good Luck Joes

The Nelson Brothers

State of the Industry:

Sound of the Culture Promo

Sound of the Culture: "My First Reply"

Sound of the Culture: "My Second Reply"

Top Gun Video

Viewers Voice:

7th Heaven Canceled

Annouce V.V. Awards

Billie the Brownie

Go Brewers!

Happy New Year!

Morning Blend

New Primetime Schedule

On the Set of Arrested Development

Pet Show

Reading Entertainment

Sharon Gless

State Fair 2006

Visits the set of "Medium"

Wolf Birthday Bash

West Allis Players: Much Ado About Nothing

Whitefish Ring

#### **EVENTS**

Arts A'Fair 2006

Calvary Pre-School "Ending on a Great Note" 2006

City of West Allis Fourth of July Parade 2006

Milwaukee Remembers Frank Zeidler

On Location: Summer 2006 with West Allis Lions Club

Postcards from West Allis

Rita Kohls Memorial Benefit

State Fair 2006

Walt Whitman 150th: Poetry Reading

West Allis Centennial Celebration Update

West Allis Centennial Festival

West Allis Centennial Parade 2006

West Allis Charities Christmas Parade 2006

West Allis Memorial Day Parade/Ceremony 2006

Western Days Parade 2006

Young Professionals of Suburban Milwaukee

Zeidler Remembers Milwaukee

#### **HOLIDAY**

Breakfast of Thanks & Giving 2006

Channel 14 Holiday Greetings

Downtown WA Holiday Stroll 2006

Family Blend Christmas 2006

Gary's Christmas Classics III

Jazz for the Holidays

LIVE SANTA CALL-IN SHOW 2006

The Christmas Game Show

"Young at Heart" Chorus Holiday Concert 2006

#### INFORMATIONAL

"Historic West Allis" by Youth Media Camp

"It's Time for a Change"

Arts A'Fair 2006 Promo

Artscape:

A Wee Bit O' Irish Music

Boulevard Ensemble "Birthday Party"

Elusive Signs-Bruce Nauman

Fall Arts Guide

Jeffrey LaDow

Joe Stanke

Katie Musolff, Portrait Painter

Masters of American Comic

Milw. Rep.- "King Lear"

Business to Business Expo 2006

Chamber of Commerce 2006 Annual Banquet

Channel 14 "Scare-a-Thon" 2006

Collector's Showcase

Croatian Family History



# **Programming Diversity**

### Continued...

Eyes on Issues:

A Real 911 Commission

FBI lies about OK City Bombing

How to Rig A Jury

Impeach for Change

Initiative Referendum Vis-a-Vis

Making Judges Accountable

Manufacturing Prisoners

Pat from Seattle

Politicians Sweeping Dirt Under the Rug

Towers of Deception

Whistle Blower Extraordinaire

Fully Informed Jury Association

Insightful Happenings:

Christine Arens 2006 Predictions

Patty Martin-REIKI Demo

Ken Nelson

Stephanie Monahan

Reiki Practitioner

Moon Madness

Green Bay Psychic Fair

Yearly Predictions 2007

La Cuisine du Garage:

CSI: Culinary Crimes

Deconstruct This!

Irish I Could Cook

It's a Three Dog Night

Just Desserts

Playing Favorites

Shocking Expose

Thoughts for your Penne

What Jamaican?

Whoda Thunkit?

You Wanna Start Somethin'?

Mike Britz Trio at the Senior Center

Milwaukee7: A Regional Approach to Economic

Development

New Berlin Police - Mission: Possible

Portraits & Promises:

Better Hearing and Speech Month

Center to Be - Relaxation Techniques

Halloween Scare-a-Thon Preview

Holiday Bliss 2006

**Urban Ecology Center** 

W.A. City Centennial Celebration Preview

Polka/Chicken Promo 2006

Adult Oral Health Awareness/"The Saved"

Forks & Corks

Greater Milwaukee Free Clinic

Relay for Life 2006 Preview

Repairers of the Breach

Six Degrees #6

WA Senior Center Autumn Open House WACMC 24th Annual Membership Meeting

Weddings of Yesterday: A Fashion Show

West Allis & West Milwaukee: Evolving for Tomorrow Young at Heart Chorus: Songs of the 1900's

#### **POLITICAL**

League of Women Voters:

Legislative Breakfast 2006

"Ban on Civil Unions"

Milw. Co. District Attorney Candidate Forum

Wis. Candidate for State Treasurer

WA/WM Chamber Fall Candidate Breakfast Forum

#### **PROMOS**

Get Ready for Santa 2006 Promo

Halloween "Scare-a-Thon" Promo

Halloween "Scare-a-Thon" Puppet Promo

Halloween Donors Thank You Promo

Viewers Voice Celebrity Promos

**WACMC Solicitation Promo** 

What is WAPC?

#### **RELIGIOUS**

Highway of Holiness:

Heaven is at Hand

Jim Pfau Teaches

Spec. Guest Jo-Anne Bushberger

There is no Holiday in Hell

Pipeline to Jesus Dedication, Parts I & II

Search for Mt. Sinai

#### **SPORTS**

Ike Football Highlights 2006

Old Time Ball Players Assoc. Banquet 2006

The Brew Crew Review

Koskie Trade

**Buckethead Kick-Off** 

Miller Diamond Dancers

Season Preview 2K6

Spring Training/Opening Week

Minor Leagues-Huntsville/Nashville

Amateur Draft Preview/Tony Gwynn Jr.

Brewers 2006 Draft Recap

First Half Grades

Lee Trade

Sept. Call-Ups

Playoff Predictions 2006

Season Recap 2006

Christmas Special 2006

Suppan Signed

West Allis Predators Football

vs. Madison Seminoles

vs. Cylones

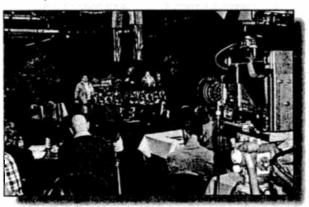
vs. Venom



# **Activities & Special Events**

#### **BOARD ACTIVITY**

- ▶ Board Development: Continued work on Organizational Development; the Board identified strengths, weaknesses, opportunities and challenges to the organization's future. The Board reviewed board responsibilities including its role in Planning, Fund Development, Marketing and Community Outreach, Performance Tracking and Organizational Capacity.
- ▶ Executive Committee: Concentrated on Long Range Planning, Benefits, Planning Board Meetings and board activity for next year. The Executive Committee also served as the Nominating Committee and Bylaw Review Committee with additional members.
- ▶ Finance Committee: Developed the 2007 Budget and led the Board through the review, discussion and approval process.
- ► Fundraising Committee: Coordinated the Polka Chicken Dinner and the silent auction for the Haunted Television Station Scare-A-Thon.
- ► Grant Committee: Contacted various foundations and applied for grants (results are pending).
- ▶ In-Kind Contributions Committee: Initiated the West Allis Centennial Mural, and acquired the Reception Window Blinds, Art and Mirror Hanging Apparatus, Refrigerator, Silent Auction items
- ▶ Policy Committee: Revised the <u>Operating Rules and Procedures</u> for approval by the Board.
- ▶ Publicity Committee: Organized the 24<sup>th</sup> Annual Membership Meeting, developed publicity for the Haunted Television Station Scare-A-Thon and began planning the 25<sup>th</sup> Anniversary Sunday Brunch (set for March 25, 2007).



#### **PROMOTION**

- ▶ Press Coverage: West Allis Star published an article on the producing team behind the comedy/variety program "INTV". The show is conceived, written, shot and edited by Brian Janick, Andy Burgmeier, Ray Setzer and Erick Smith. Community Now published an article on cable renegotiation; the Star and Now provided coverage on WACMC fundraisers and training sessions. Shepherd Express ran a feature story on Matthew Perta, host/producer of "Artscape." Both the Shepherd Express and MKE promoted the Haunted Television Station Scare-A-Thon.
- ▶ The WACMC utilized its own Channel 14, Community Bulletin Board, web site and newsletter as promotional tools to spread the word about its programming and fundraisers. A series of flyers, postcards and invitations were also produced in house.
- ▶ Video Promos 2006: The WACMC staff developed on-air promotions for the following initiatives: Donations, board recruitment, fundraisers, sponsor recognition, holiday greetings and special programs and series. These promotions aired throughout the day on the Community Bulletin Board.
- ▶ Web Site Updates: The home page was updated frequently to communicate important issues and to promote upcoming events; the Channel 14 program schedule was also updated weekly. Other information was added or changed as needed.

#### SPECIAL EVENTS/ACTIVITIES

- ▶ 24th Annual Membership Meeting, Wednesday, March 22, 2006: Kicked off the beginning of a year-long 25th Anniversary celebration, South of the Border style, with food donated by Las Palmas Restaurant and Latin-influenced decorations designed by the members of the Planning Committee. Volunteer producers and crew were honored; CNI Newspapers Inc. was presented with the Community Vision Award for its weekly printing of the Channel 14 program schedule. A slate of WACMC Board Candidates was elected and retiring board members were acknowledged.
- ▶ Special Fundraising Projects including the Polka Chicken Dinner, WAPC Video Festival, Haunted Television Station Scare-A-Thon, Children with Santa Photos and the Holiday Promos raised over \$6,000.



# Activities & Special Events Continued...

- ► The WACMC participated in the Downtown Business Improvement District of West Allis Halloween Trick or Treat Day, the Holiday Stroll and the Holiday Party.
- ▶ WACMC serves as a judging site for both the Wisconsin Association of Public, Educational, and Government Channels (WAPC) and International Alliance For Community Media (ACM) Hometown Video Awards.
- ▶ WACMC producers are honored with a total of 19 awards, including three Excellence Awards, at the Eighth annual WAPC Video Festival at the Quality Inn in Madison, WI.
- ▶ PRODUCERS UNITED/PROGRAMING COM-MITTEE Meets quarterly to coordinate the taping of several West Allis special events including parades, the first weekend of State Fair and holiday programs. The meetings provide networking opportunities for producers. Numerous individuals volunteer as crew to enable other programmer's visions to succeed day to day.

#### **MURAL**

▶ In honor of the City of West Allis Centennial Celebration, Zack Adams created a collage of West Allis landmarks. He was given this independent study assignment by West Allis Central Art Teacher and Advisor Chris Franzke. Besides being an artist, Zach excels in Science, Math and English at Central. The mural is a beautiful addition to the Media Center lobby.

#### SPECIAL PROGRAMS

- ▶ The WACMC-produced program "Portraits and Promises" welcomed representatives from the Center for the Deaf and Hard of Hearing, Urban Ecology Center, West Allis Centennial Celebrations Committee, Wisconsin Dental Association, West Allis Chamber of Commerce Forks and Corks Committee, West Allis Community Improvement Foundation Committee, Greater Milwaukee Free Clinic, Candy Cane Lane, MACC Fund for Cancer Research, The Center to Be and Milwaukee Chapter of Chick Singer Night.
- ▶ WACMC staff and volunteers covered the following community events: Memorial Day Parade and Ceremony, Rita Kohls Memorial Benefit, West Allis Players: "Much Ado About Nothing" Centennial Parade, Centennial Festival, Weddings of Yesterday: A Fashion Show, Western

Days Parade and Weekend, Fourth of July Parade, State Fair 2006, Walt Whitman 150th Poetry Reading, Arts A' Fair, West Allis Senior Center Autumn Open House, Breakfast of Thanks and Giving and the Downtown Holiday Stroll.

▶ Santa Call In WACMC produces a "Live Santa Call-in" Show, which gives the good boys and girls in West Allis the opportunity to tell the North Pole's most famous resident what they want for Christmas.

#### **LEGISLATION**

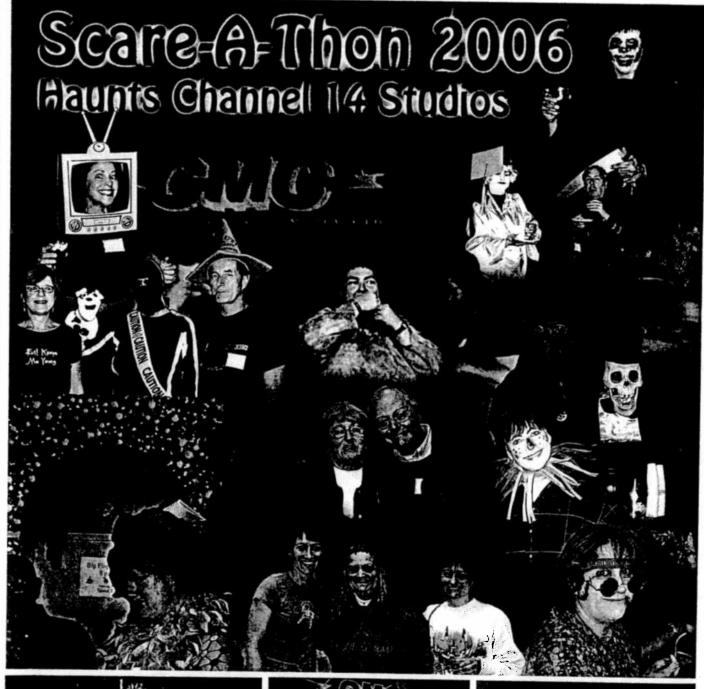
- ▶ While West Allis remained without a new cable franchise agreement with Time Warner there was much concern in 2006 over national franchising threats and the FCC setting policy favoring the telecommunications industry over local municipalities and the public.
- ▶ WACMC staff, board members and producers contacted federal representatives over the COPE Bill and the FCC Commissioners regarding their ruling. There has also been concern at the state level, where the issue is generating considerable discussion.
- ▶ Producers Mark Meaddaugh and Jon Ash received an ACM Award. "La Cuisine du Garage: Beer Factor" was honored by the Alliance For Community Media Hometown Video Festival Awards 2006. "La Cuisine du Garage" appears in more than 30 communities across Wisconsin and the US.







# **WACMC Fundraising**



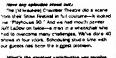


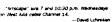




OFF THE CUFF ] Art of Conversation

you still a volunteur at Chansel 14 or are you on staff? I volunteur, I become in the chasse of commonly mobile. Channel 14 is good for the of Help And Locales the cryst events and issues after 1 voluly covered in the read mobile. Acids from "A transpa," I loss host a program called "Fortable and see," a gentera, to be affair take the commonly.







# **OUR TOWN**



### Channeling their energy

Part-time comedians put on a satiric smile for public access program



#### for state cooking symbol John Ash and Mark Med-

'Du Garage' in the market

**WACMC** in the News

daugh, hosts of the West Allisbased cable TV show "La Cuisine Du Garage," are looking for a great cooking symbol for Wisconsin. It can be a cooking tool or a cooking-related oblect, but it has to scream "I'm the Wisconsin State Cooking Symbol!"

You could win a variety of prizes, including the first prize Golden Spatula of Excellence," which includes four tickets to watch a monthly filming of the show (and sample the food) and an official La Cuisine Du Garage Apron.

The contest ends June 15. Send your entries to State Cooking Symbol Contest, La Cuisine Du Garage, 966 S. 60th St., West Allis, 53227. Prizes will be awarded on or before Aug. 10.

The chefs, known for their on-screen humor, note that serious entries "will be accept ed but are not encouraged.

The show is aired locally in West Allis, Bayside, Fox Point, Glendale, Milwaukee, River Hills. Shorewood and White fish Bay.



#### Channel 14 will provide TV production training

The West Allis Community Media Center will conduct video production training workshops next week at the Channel 14 studio, 7210 W. Greenfield Ave.

The Portable Field Production Class will take place from 6:30 to 9:30 p.m. on Monday, July 10, Tuesday, July 11 and Wednesday, July 12. Those tak- (414) 321-1121.

ing the course will learn to create video projects with new digital equipment.

No prior camera knowledge needed, but a prerequisite is an earlier Producer's Class.

For more information, call

**News Digest** 

### FIRST THINGS

#### COMMUNITYNOTEBOOK

#### Police and pouttry event Sunday at Taxner Paul Poet

Channel 14 will host a fundraiser police dance from poon to 5 p.m. and chicken dinner from noon to 3 p.m. Sunday.April 2, at the American Legion-Tanner Paul Post 120, 6922 W. Orchard St.

Tickers, which include the dinner, are \$15 at the door, \$13 in advance, and half price for children 12 and younger.

For information or to purchase tickets, call (414) 321-1121. Tickets

can also be purchased from 1 to 10 p.m. Monday through Thursday, 1 to 5 p.m. Friday, or 10 a.m. to 2 p.m. Saturday at the West Allis Community Media Center, 7210 W. Greenfield Ave.

#### Media center offers video production workshop

A four-session video production training workshop will be offered from 6:30 to 9:30 p.m. Wednesday, July 5, and Monday through Wednesday, July 10 through 12, at the West Allis Community Media Center, 7210

The required producer's class July 5 will focus on the basics of video production. No prior knowledge is required.

#### Our Town

#### **Cable company and city try** to tune into new access deal

Expired agreement to fund public channels dates back 10 years

By Denise Lockwo Staff Writer

A new agreement between Time Warner Cable and the city of West Allis to fund the city's cable channels has thus far proved clusive but city officials are confident a deal can be

worked out.
The previous cable franchise agreement expired on Dec. 31, but both parties have agreed to extend the current agreement until March 31 or until a renewed agreement is reached.

The current agreement was negotiated 10 years ago with cable provider Marcus Commu-nications. In 1997, Time Warner Cable bought out Marcus, noted Jerry Musial, coordinator of the Office of Cable Commu-

nications.

Now we are looking to the future to see what kind of sys-tem will be in place so that when the city and Time Warner Cable evolve, we can proceed with meeting the needs of the

community." Musial said.

#### Assessing access

The city has three access The city has three access channels police access, education and government access channels. The 5 percent fractise fee paid by cable customers funds the government access channel and equipment purchases, but the other two chainels are governed by the cable franchise agreement with Time Warner Cable. In 2004, Wey Allis received \$500,000 from the franchise fee. from the franchise fee.

from the franchise fee.

The city undertook a series of audits and assessments, which looked at the level of Anding collected from the franchise fee; a technical assessment of the cable communication. tions infrastructure; and a cable tions infrastructure; and a cable needs assessment that surveyed the community expectations of the service. The information was then used to design a fran-chise proposal, which was pre-sented to Time Warner Cable

serined to time warner cable two months ago.

Since the negotiations began, the city has net with fine Warner Cable representatives three times, Musial said.

"We've always had a great nationalist with the city" said.

relationship with the city, said. Celeste Flynn, director of public

affairs for Time Warner Cable. But I couldn't comment on the negotiations that have taken place so fac."

#### Unspecified concerns

While the details of the prowhile the octeans of the pro-posal have not been released publicly, Muskai said the two sides aren't far apart in reach-ing a potential agreement. Recently, officials with Time Warner Cable have voiced

some concerns about the city's proposal, but Musial declined to go into detail, adding that the issue is being discussed in

Right now we are working on setting up another meeting in January... but this is a process we just go through," Musial said.

If the two sides can't reach an agreement, the matter could land them in court. However, Musial doesn't think that will happen because both sides are negotiating in good faith.

it will then be presented to the city's License and Health Comcity's License and Heath Com-mittee and a recommendation will be made to the Common Council, which will then have a public hearing on the issue before a wore is taken.



We are proactive in using promotional materials to publicize our channel schedule, events, meetings and training dates. Here are a few examples of materials distributed by WACMC in 2006.





# **Holiday Highlights**

The West Allis
Community Media
Center kicked off
the 2006 holiday
programming season
once again by
covering the West
Allis Charities
Community
Christmas Parade in
downtown West Allis.
This year's parade
commentators were
Pamela Zorko and
Barb Barthel.



It's Polka Time producer Gene Schwartz was featured in his annual Christmas special. Vern & the Originals played all of your favorite holiday polkas in this year's episode.



Gary's Christmas Classics III brought holiday cheer into the homes of West Allis once again this year. The show featured local vocalists Gary Wisner, Jane Kolinski, and Gordon Rise. This year's episode featured a classic rendition of Bing Crosby's Hawaiian Christmas Classic "Mele Kalikimaka," performed by Gary Wisner.



# THANK YOU!

THANKS TO THE MANY WACMC VOLUNTEERS AND TO THE BUSINESSES, DONORS AND ORGANIZATIONS THAT SUPPORTED OUR WORK THIS PAST YEAR.

NOBODY TRIPS OVER MOUNTAINS. IT IS THE SMALL PEBBLE THAT CAUSES YOU TO STUMBLE. PASS ALL THE PEBBLES IN YOUR PATH AND YOU WILL FIND YOU HAVE CROSSED THE MOUNTAIN.



**WEST ALLIS COMMUNITY MEDIA CENTER** 

7210 W. Greenfield Avenue, West Allis, WI 53214 Phone: 414-321-1121 Fax: 414-321-3880

www.wacmc.org



## WISCONSIN STATE LEGISLATURE







### WACMC celebrates 25th Anniversary with Sunday Brunch Fundraiser March 25

### "Honoring the Stars of Our Own Silver Screen"

For a quarter of a century, the stars have been shining down on community access TV in West Allis, making Channel 14 bolder and brighter year after year.

Now the time has come to pay tribute to those very stars – producers, board members, committee members, staff and supporters – whose time, talent and enthusiasm have made the West Allis Community Media Center [WACMC] a thriving hub of diversity, learning, creativity and teamwork.

"Honoring the Stars of Our Own Silver Screen" is the theme of a brunch being held in honor of the volunteers, supporters and staff of the Community Media Center, on Sunday, March 25 from noon to 3:00 p.m. at the Pettit National Ice Center, 500 S. 84th St.

Guests can enjoy a catered brunch as well as live music and entertainment, and participate in a silent auction for a variety of great items. All proceeds will benefit the WACMC.

A video retrospective of program highlights from the past 25 years will be shown.

"The need to raise money for the community media center is greater than ever, but it's also important to thank the people who've added life and color to community access TV in West Allis," says Matthew

Perta, chairperson of the WACMC Public Relations Committee, which is overseeing the planning of the brunch. "We want this event to be a successful fundraiser, as well as a salute to many wonderful people for their contributions and support during the past 25 years."

"Honoring the Stars of Our Own Silver Screen" is an invitation-only event. Invitations will be mailed to WACMC members and city officials in late February. Since the seating capacity at the Pettit Center is limited, invited quests are encouraged to RSVP as soon as possible to ensure seating. So. WACMC members and friends, remember to check your mail in late February for your invitation. Then join us on Sunday, March 25 at the Pettit Center for food, socializing, entertainment and fun as we celebrate a quarter century of amazing growth and success in community access TV in West Allis.

Don't forget – your attendance at the brunch will help raise much needed funds for the WACMC. Every dollar counts! Your support is crucial to the future of community access TV in West Allis.

Volunteers are being sought to help with table decorations, soliciting silent auction items and other activities. If you're interested in lending a helping hand, call the WACMC at [414] 321-1121.

# Post Volunteers

Seeking contact info for all Channel 9 and Channel 14 crew and show host volunteers, WACMC Board Members, and cable and WACMC staff who participated from 1981-2007. Please share contact info with the Media Center at 321-1121 or shanahan@wacmc.org.

### Mark Your Calendar

WACMC Annual
Membership Meeting
Wednesday, March 14th
7:00 pm
At the West Allis Community
Media Center

Channel 14 Polka

Chicken Dinner
Fundraiser
Sunday, April 29th, Noon-6pm
Tanner Paull's
70th and Orchard
Tickets on sale

WACMC 25th Anniversary Brunch Celebration

February 2007

March 25th, Noon-3pm
Pettit Ice Center
(Special Events Room)
Watch mail for an invitation!

Directors Workshop (Open to experienced studio crew only) Saturday, March 3, 2007 1-4pm.

Media Center Studio Sign up with WACMC Staff



### West Allis Community Media Center

#### Location:

7210 West Greenfield Ave. Phone: 414-321-1121 Fax: 414-321-3880 www.wacmc.org

Editor Mary Shanahan-Spanic

Alex Schofield
Dean Andrade

Contributing Writers
Mary Shanahan-Spanic
Craig Mueller
Matthew Perta

#### Mission Statement:

The mission of the West Allis Community Media Center is to be an educator, facilitator and catalyst for the exchange of ideas and information.

The Corporation provides access to communications technology, empowering individuals and organizations to work together in strengthening our sense of community.



### A Message from Our Executive Director

Dear Sisters and Brothers,

Can you believe it? 25 YEARS of community based television! Residents have been creating shows and documenting community activities and memories since the early 1980's. It is an accomplishment for the city to be extremely proud of.

Back in 1981, West Allis residents embraced community television from the beginning of cable franchising. Incalculable numbers of people have been involved in initiating program ideas, doing research, serving as guests and hosts, taking video production training, checking equipment out, creating and lighting sets in the studio, acting as crews, serving as studio and live call in audiences, and viewing programs at home.

Dedicated volunteers help with special event planning and fundraisers and a whole host of people have been involved as WACMC board members and committee volunteers. Most of these people have worked selflessly over the years to keep community media alive. WE CONSIDER OUR EXTRAORDINARY VOLUNTEERS AS ASSETS WHO ARE HIGHLY VALUED.

The WACMC-Channel 14 is a training ground for volunteers from all walks of life and all levels of experience. Through Nonprofit Management Grants, we are working to enhance the board's

leadership abilities as the top management of the organization. This includes taking responsibility for directing the organization including planning, strategy, values, principles and determining which yardsticks should be used to evaluate our effectiveness. They help develop our relationships between our various members, alliances, and partnerships and to keep us innovative. Our leadership and video training programs enable individuals without prior experience to gain hands on learning and emerge as valuable contributing board members or skillful video producers.

### LOOKING FOR NEW BOARD MEMBERS

We are looking for volunteers who are ready to give the best of themselves and their teamwork skills to enter into the art of creative collaboration on the WACMC Board. Call me at 414-321-1121 if you are interested in serving.

Please join us for the 25<sup>th</sup> Anniversary Brunch Celebration on March 25<sup>th</sup> at the Pettit Ice Center, noon-3 pm. And join us for the next 25 years of Community Media. We may have to fight for it, but it will be worth it! With your support, Channel 14 is here to stay.





# La Cuisine du Garage Honored by ACM Hometown Awards, 2006

Congratulations to West Allis Channel 14 producers John Ash and Mark Meaddough for being recognized by the Alliance For Community Media Hometown Video Festival Awards 2006 for their program "La Cuisine du Garage: Beer Factor."

The producer duo just celebrated the beginning of their third season of

programming. They have a loyal crew who are rewarded by the privilege of eating the fabulous dishes at the end of each studio shoot. "La Cuisine du Garage" is shown in more than 30 communities across Wisconsin and the US.

CONGRATULATIONS, MARK AND JOHN!

# Attention Channel 14 Producers!

WAPC 2006 Video Festival Entry Deadline: Feb 9, 2007

Remember to enter your 2006 programs into the Wisconsin Association of PEG Channels [WAPC] Video Festival 2007. The entry deadline is Friday, February 9, 2007. Please see the WACMC staff for an entry form or visit www.wapconline.com for



more information. If you plan on entering a program, please contact WACMC and we

will supply one free copy of your program for submission. This year's Video Festival Banquet will be held in Madison, Wisconsin, on Friday, May 4, 2007, as part of the WAPC Spring Conference.
Good luck!

# New & Renewed

Donn Anderson

Paul Barsch

Kevin Carlson

Renae Carlson

Kevin Donnelly

Willie Flowers

Rich Frink

Karen Jasniewski

Gary Jund

Ron Mizia

Maureen Phau

Herb Ritter

Michael Rudy

Rick Steinberg

Mark Swingford

Susan Torres

Sean Vanderberg

Chris Vilione

Robert Weger

WATCH FOR RENEWAL NOTICES IN THE MAIL!



Artscape

Produced by Matthew Perta Wed. 7pm, Thur. 11am

The Brew Crew Review Produced by Craig Mueller

Thur. 10pm, Sat. 2pm, Sun. 9pm

Cricket House

Produced by Dylan Engel Saturday 10pm & Sunday 11pm

Eyes on Issues Produced by Whistleblower Currier Mon. 7pm, Tues. 11am

Highway of Holiness Produced by Jim Pfau Saturday & Sunday Noon & 5pm

Independent Thought TV Produced by Brian Janick Tues. 7:30pm, Wed. 1:30pm

Insightful Happenings Produced by Jerry Brooks Tues. 8pm, Wed. 10am

It's Polka Time! Produced by Gene Schwartz Mon. 5 & 9pm, Tues. Ipm

La Cuisine Du Garage Produced by John Ash & Mark Meddaugh Wed. 5 & 9pm, Thur. 1pm

Mission: Possible
Produced by Mike Glider &
Phil Kiedrowski
Wed. 6pm & Midnight, Thur. 3pm

Produced by Mary Shanahan-Spanic Thur. 5 & 9pm. Fri. 2pm

> Rockin the Cable Show Produced by Laurie Muffler Fri. 6 & 10pm, Sat. 10am

Travelog with Traveldog Produced by Boni Blachly & Lynn Kuhlman Sat & Sun Ham & 7pm

Viewers Voice Produced by Sharon Rhode Mon. 6 & 10pm, Tues.2pm

### **Channel 14 Holiday Programming Highlights**

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### **Channel 14 Holiday Programming Highlights**

Portraits and Promises: Holiday Bliss 2006 featured special guests Colleen O'Neal Moran of the MACC Fund to discuss the fun and positive results from West Allis' own Candy Cane Lane. and Madeline Spooner, a very talented sixteen-



year old local musician and vocalist. The program was produced by WACMC Executive Director Mary Shanahan-Spanic and was hosted by WACMC Board Member Matthew Perta.

Channel 14's Live Santa Call-In Show is an annual tradition, as kids get the opportunity to call into the studio and talk to Santa Claus and his elf Jingles. All the children of West Allis got a chance to tell Santa



what's on their Christmas list first hand. This year, kids got a little prep on talking to Santa etiquette with Clark & Beary's Get Ready for Santa Spectacular, produced by puppeteers Boni Blachly and Lynn Kuhlman.

We had a wonderful 2006 holiday programming season thanks to all of the producers who brought joy to West Allis residents via Channel 14.





WACMC is holding the following video production workshops in our studio at 7210 W. Greenfield Ave.

Spring Sequences 2007

Producers Class

This introductory class teaches the basics of producing a video production at the Media Center.

Wednesday, March 7, 2007 or Wednesday, May 9, 2007 6:30-9:30 pm

**Portable Field Production** 

Learn how to create video projects with portable equipment – cameras, tripods, lights and microphones.

Mon- Thurs. 6:30-9:30 pm March 12, 13, 15 or May 21, 22, 23

**Studio Training** 

A hands-on class to develop and master studio crew positions – camera operation, audio, lights, direction, and computer graphics.

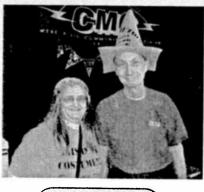
Mon - Wed. 6:30-9:30 pm April 9, 10, 11 or June 11, 12, 13

**Editing Class** 

Learn editing techniques, video and audio mixing and computer graphics to produce a coherent, effective and entertaining program. (Scheduled as necessary.)









Page 6

# 2006 Seare-A-Thon at WACME

The West Allis Community Media Center held the Haunted Television Station Scare-A-Thon Fundraiser on Saturday, October 14th, 6:30-10: 00 pm. Participants played games and got sent to the "Body Parts" Room led by the Grim Reaper. A Tarot card reader, R.T. Both, and an Astrologer, Lynette Corsten, were on hand to give people an insight into their future.

Those in attendance interacted with scenes from classic Halloween films while participating in Channel 14's "Green Screen Experience."

The event also featured a costume contest, with prizes going to the best dead celebrity, movie monster. couple, and unique costume. The highlight of the evening was a Murder Mystery Puppet Show called "The Big Flop Circus," hosted by Pamela Zorko and featuring the puppets from the Channel 14 Puppets on Assignment crew. Special thanks to Boni Blachly and Lynn Kuhlman for bringing the puppets to life. Also, thanks to the Haunted House crew from Mary.





Queen of Peace Catholic Church on 27th and Oklahoma for helping to decorate our frightening reception area. The WACMC hopes to make the "Scare-a-Thon" an annual fundraising event. Thanks to all who served on the committee, volunteered for the event and attended. A spook-tacular time was had by all!!!!

Alex Schofield joined the staff as a Graphic Intern in December, 2006. His work entails creating graphics for the community bulletin board, flyers, newsletters, and the WACMC website. In addition, Alex has created animated "opens" for various projects.



Alex grew up in Milwaukee, where he became interested in design, film, animation and music production.

Alex is a freshman at the University of Wisconsin - Milwaukee. Even with a busy school schedule, Alex enjoys working at the Media Center. He says "it's great to see the diverse creativity in people and the sense of family at the Media Center. Everyone has made me feel right at home"

In his spare time, Alex enjoys music and art.

The board, staff and members of the West Allis Community Media Center would like to welcome Alex Schofield.

#### **WACMC Board Members**

#### Officers

Pamela Zorko (President) Dave Jonasen (Vice President) Jerry Kucharski (Treasurer) Matthew Perta (Secretary)

Jeanna Barney Frank Bialek Jennie Farrington Pat Hladilek Sharon Rhode Nya Kwiawon Taryor Jr.

#### Staff

Mary Shanahan-Spanic Executive Director

Craig Mueller Channel Coordinator/ Production Facilitator

John Majewski Production Facilitator

#### **West Allis CMC Facilities Schedule**

#### **Equipment Reservations**

Monday - Thursday 1:00 pm - 9:30 pm Friday 1:00 pm - 5:00 pm Saturday 10:00 am - 2:00 pm Mornings by appointment

#### **Edit suites**

Monday - Thursday 1:00 pm - 10:00 pm Friday 1:00 pm - 5:00 pm Saturday 10:00 am - 2:00 pm

#### Studio

Monday - Thursday 1:00 pm - 10:00 pm. Friday 1:00 pm - 5:00 pm. Saturday 10:00 am - 2:00 pm. Reservations for equipment check-out and editing must be made at least 3 days in advance. Studio reservations must be made at least 2 weeks in advance.

To put your organizations information on the Channel 14 Community Bulletin Board, call [414] 321-1121 or email info@wacmc.org

Knowledge begets
understanding...
understanding
begets tolerance...
tolerance begets
peaceful coexistence.
Keep learning,
keep teaching,
keep defending,
keep tolerating and
keep peace close
to your heart.

- Dirk Koning
Deceased 2006

### Visit us on the web at www.wacmc.org

#### **CONTACT US!**

Phone: 414-321-1121 Email: info@wacmc.org

-radment staff member-Alex Schofield

A letter from the Executive Director-Mary Shanahan-Spanic

Channel 14 Holiday Programming Highlights

3care-A-ansoc

Silver Anniversary Preview!

-ANSSC

West Allie Community Communications Corporation 7210 W. Greenfield Ave., West Allie, WI 53214





## WISCONSIN STATE LEGISLATURE



# Policy Brief



Sept. 19, 2006

No. S2006-07 • ISBN: 1-890624-51-9

### Assessing the Case for Cable Franchise Reform

by Diane S. Katz

#### **Executive Summary**

Advances in technology now make it possible for both cable firms and telecommunications companies to provide voice, data and video services to most homes and businesses. This constitutes a dramatic change from the days of cable dominance in the video market, and that of the "Baby Bells" in telephone service. What hasn't changed, however, is the franchise regime that has long limited access to the local market and thus inhibited competition. In this paper, we examine the effects of this obsolete regulation on consumers and the economy, as well as the myriad benefits of reform.

Until recently, it was widely assumed that cable service constituted a "natural monopoly." Since the 1940s, many municipalities have required cable service providers to obtain a franchise in order to operate. These regulatory instruments typically delineate the rates, terms and conditions of service, including the use of public rights-of-way in the deployment and maintenance of network infrastructure.

Local officials imposed franchise obligations on cable firms to protect consumer welfare. In so doing, however, they fostered the very market power that franchising was intended to tame. Unfortunately, municipal franchising has evolved from a means to protect consumers to a regulatory advantage that protects the incumbent cable operator from competition. Indeed, our survey of cable

### About the Author

Diane S. Katz is director of science, environment and technology policy with the Mackinac Center for Public Policy. Prior to joining the Center, Katz served for nine years as a member of The Detroit News editorial board, specializing in science and the environment, telecommunications and technology, and the auto industry. Her work has won numerous awards, including top honors from the Michigan Press Association in 1994, 1996, 1997 and 1998.

rates in many Southeast Michigan communities shows that those rates have, on average, experienced an annualized rate of increase that is nearly 38 percent above the annual inflation rate from 1991 to 2006.

Much of the local franchise regulation in force today was fashioned in the 1960s and 1970s — the Cyberspace equivalent of the Stone Age. But the emergence of alternative video technologies has prompted franchise reforms in California, Texas, Virginia, Indiana, Kansas, South Carolina and North Carolina in recent months. Legislation now pending in the Michigan House would replace municipal franchising with a statewide uniform franchise. If enacted, the reform promises to ease market entry for newcomers and, therefore, promote competition in video services.

In the following pages, we briefly examine the history of cable TV and the regulatory whipsawing that has plagued the industry since its very early years. This section is followed by an overview of market conditions for video services. We then turn to the particulars of municipal franchising, including its underlying assumptions, market effects and economic pitfalls. We conclude with an analysis of pending legislation and recommendations for reform.

Given the time we spend viewing television — more than eight hours per day per household, on average — franchise reform would have a significant impact on millions of Michigan residents. If successful, consumers stand to gain far greater power over the cost and quality of video service. Otherwise, we will continue to experience everhigher cable rates and miss out on remarkable new video functionality made possible by technological progress.

#### The Early Years

The history of cable television is a chronicle of ingenuity. Among its pioneers was John Walson, who took up selling television sets in 1947 from his appliance store

<sup>\*</sup> A regulatory instrument established by a local unit of government to delineate the terms and conditions under which a cable television company is authorized to provide service.

in Pennsylvania's southern coal country. Sales were slow, however, in no small part because of lousy reception in the valley town situated some 90 mountainous miles from station transmitters in Philadelphia. Not to be bested by the terrain, Walson attached an antenna to a utility pole atop a nearby peak, and ran cable and signal boosters to his store and to the homes of customers located along the way. Thus was born the first community access TV system.

Antennas soon sprouted from ridges and rooftops in other rural settings, which inspired Milton Jerrold Shapp to develop a master antenna from which coaxial cable and amplifiers would deliver multiple signals simultaneously to multiple dwellings. After reading about Shapp's innovation, fellow appliance salesman Robert Tarlton organized television dealers in Lansford, Pa., to wire their town with cable. Operating under the name Panther Valley Television, Tarlton's group obtained a franchise from local authorities on the condition that the company pay a tax on the service — likely the nation's first cable franchise fee. Much publicity ensued, and Panther Valley became the catalyst for community cable systems across the country.

Early cable systems simply improved the reception in rural areas of local channels. Cable firms soon began experimenting with microwave technology to import additional programming from distant cities. Community access TV systems that once transmitted only three local network channels soon offered programming from independent stations elsewhere. Not surprisingly, consumers responded favorably to this expansion of choice, and the service moved beyond rural communities to cities.

Local station owners and executives of ABC, NBC and CBS did not take kindly to the new competition, and demanded regulatory protections from the Federal Communications Commission. They worried that cable TV would divert viewers to stations elsewhere and thus undermine ad revenue, as rates are determined on audience size. Meanwhile, stations whose signals were imported protested that cable was profiting from their programming without compensation to them. The resulting service restrictions imposed on cable virtually paralyzed the nascent industry for two decades, and set an unfortunate precedent of government interference in cable TV service.

Consequently, in 1959 the FCC prohibited a cable company from importing a broadcast signal. Within five years, cable operators in the 100 largest television markets were required to obtain permission before importing a distant signal — permission that was rarely granted. The

commission went on to limit the number of station signals a cable system could carry and to restrict the broadcast of movies, sports and syndicated programming. Thereafter, access to capital for cable expansion became difficult to obtain.

Cable TV was rescued from its regulatory doldrums by the inventiveness of Charles Frances Dolan. Faced with the challenge of wiring lower Manhattan in 1965, Dolan laid cable beneath the city streets to avoid the signal interference of New York skyscrapers.4 Five years later, he conceived of an independent channel for which subscribers would pay a premium to receive commercial-free movies and sports. Dolan's channel subsequently became Home Box Office (HBO), which debuted on November 8, 1972 with coverage of the New York Rangers vs. the Vancouver Canucks. Only a few hundred viewers in Wilkes Barre, Pa., had access to HBO that first night. Subsequent use of satellite technology ultimately made HBO the world's largest subscription cable service, with more than 11.5 million viewers.5 In demonstrating that consumers would actually pay for programming, Dolan revolutionized the television industry.

#### **Video Market Dynamics**

From meager beginnings, the market for cable TV and other video services (collectively called Multichannel Video Program Distribution) has undergone tremendous growth. Indeed, the average household watches more television today than at any time in history — some eight hours and 11 minutes per day.<sup>6</sup> Of the 110 million households with a television, nearly 86 percent subscribe to cable, satellite or other video service.<sup>7</sup> There are nearly 15.4 million households with television that do not subscribe to a video service, and thus rely solely on over-the-air broadcast television for their programming.<sup>8</sup>

Cable firms serve the largest percentage of the video market, with a share of 69.4 percent. Home satellite services such as DIRECTV and the DISH Network rank a distant second, with a market share of 27.7 percent. Discourse the services of 27.7 percent.

Consumer groups have complained for years that cable's dominance, fostered by monopolistic franchise regulations and federal law, has kept rates artificially high and service quality abysmally low. Indeed, the Cable Communications Policy Act of 1984 explicitly prohibited the Baby Bells, the most likely competitor to cable, from providing video service.

"With this near impenetrable protection from competition ... Congress enabled cable operators to exploit

their monopoly power," notes Jonathan Samon, of the Georgia Institute of Technology."

The cable industry disputes such claims, citing satellite as a competitive check on its market power. This might be more accurate were satellite services to be a true substitute for cable. But researchers have determined that satellite competition has not exerted meaningful pressure on cable rates. Technological constraints diminish the competitive force of satellite service. For example, the quality of satellite service varies considerably depending on a subscriber's location; clear reception often requires a home with a southern view. Buildings, inclement weather and even trees may cause signal interference. Moreover, some satellite services do not carry local TV channels, which cable systems are required to broadcast. Satellite also suffers from high installation costs relative to cable.

"We find that if you raise the price of cable, not that many people switch to satellite," said Austan Goolsbee, the University of Chicago's Robert P. Gwinn Professor of Economics.<sup>13</sup> "This suggests that cable is not very price sensitive and, therefore, has a fair degree of market power. Satellite, on the other hand, is extremely price sensitive."

Government researchers likewise have found that competition from satellite service has little affect on cable rates. <sup>14</sup> However, satellite competition does tend to induce cable operators to add new program choices to their line-up. <sup>15</sup>

What does constrain high cable TV rates is competition between cable providers or from wire line firms, such as a telephone company. A 2003 study by the U.S. General Accounting Office found that competition from a wire line provider resulted in cable rates that were "substantially lower" (by 15 percent) than in markets without such competition. The GAO also assessed the impact on cable rates where a broadband service provider offers competing video service. In markets with competition from broadband, the study found cable rates ran 23 percent less, on average, and service quality improved. The cable rates is competition from broadband, the study found cable rates ran 23 percent less, on average, and service quality improved.

Many consumers have access to both cable TV and satellite service. But only about 1.5 percent of households with video service nationwide enjoy effective competition based on the presence of a wire line competitor, according to the FCC. While federal law prohibits municipalities from granting exclusive franchises, cable firms have long exercised a de facto monopoly. 19

Government interference in the video market, notably the monopolistic nature of the cable franchise regime, is a significant factor in this lack of competition.

#### The Municipal Franchise Regime

Municipalities instituted cable franchising under the assumption that cable service was a "natural monopoly." The theory of natural monopoly, now widely questioned, presumes that more than one cable network in any given community would be economically inefficient. That is, the high costs of constructing a cable network are affordable only if a service provider can garner a large share of the market in order to lower average costs over the long-run.

The regulation of rates and terms of service were intended to subdue the market power of cable's supposed natural monopoly, as well as to regulate the use of public property in the deployment and maintenance of network infrastructure. Meanwhile, municipal budgets have long benefited from the \$3 billion in franchise "fees" collected annually nationwide — not to mention a variety of in-kind services such as free TV time for local office holders. Former New York Mayor John Lindsay characterized cable franchises as "urban oil wells beneath our city streets." <sup>20</sup>

In reality, the cable "fees" that flow to municipalities come from consumers' pockets. Cable operators are free to pass the cost of franchise "fees" directly to their customers. Therefore, franchise fees are simply a hidden tax. According to researcher Jonathan Samon, of the Georgia Institute of Technology: "This system is unjustified because the costs passed on to consumers from the cable companies constitute an essentially needless wealth transfer from consumers to their municipality."<sup>21</sup>

Residents of 12 Michigan cities became fed up two years ago and filed lawsuits alleging that franchise fees collected from some 700,000 subscribers exceeded the amount needed for cable TV services. Indeed, substantial fee revenue flows into cities' general funds.

Many analysts attribute the market dominance of cable to the absence of competitive technologies. In hind-sight, competition could have restrained monopolies by generating new technologies and applications that instead took decades to achieve. The eventual emergence of broadband and the Internet offer customers real choice among video service providers — as long as newcomers are allowed market entry. As further noted by Jonathan Samon:

"A large factor in the monopoly status of cable television operators is that no viable technology provided true competition to the array of services available through cable during the 1970s and 1980s. The further

development of competing technologies and services over the next two decades, however, created viable alternatives that weakened cable's de facto monopoly status.

"As competition continues to embed itself in the industry, the future for the video marketplace looks bright for customers and providers alike. Officially breaking the monopolistic stranglehold that cable companies enjoy over consumers by eliminating exclusive cable franchises would significantly brighten that picture." <sup>22</sup>

#### Why Municipal Franchising Is Obsolete

The Telecommunications Act of 1996 was intended to reduce regulatory inconsistencies resulting from dramatic changes in telecommunications technologies. A key element of the act was the phase-out of price controls on cable TV, which had inhibited competition and network investment. The statute also allowed cable firms to provide telephone service and for the telephone companies, in turn, to enter the video market.

Whereas past regulation was structured to control cable monopolies, the development of competing video technologies — fiber optics and Internet transmissions, in particular — rendered such regulation obsolete. A variety of new services and service providers made competing network infrastructure far more affordable, particularly when bundling voice, video and data services as a single package. Thus, the municipal franchise system imposed decades ago has been overtaken by the abundant, affordable video options available today. Differences among the various alternatives are outlined below.

- With traditional cable TV service, all available programming is transmitted to a pipeline into the premises. A set-top box, TV tuner or VCR unscrambles the signals based on a customer's service tier. Many cable systems have upgraded their networks in recent years with fiber-optic lines, which increase transmission capacity, speed and signal clarity.<sup>23</sup>
- The Internet-based networks developed by telecommunications firms only transmit to the premises the content a customer selects. The signals are transmitted via a Digital Subscriber Line (DSL). This frees up bandwidth to be used for customized applications.

Under current federal law, Internet-based video services are exempt from local franchise

- requirements. This was reinforced recently by opinions from the Oklahoma attorney general as well as Connecticut's Department of Public Utility Control.
- Satellites operate as celestial antennas, relaying signals to and from computers and to a subscriber's satellite dish. The transmissions are weather sensitive and more prone to landscape interference than other technologies. Satellite service cannot offer the "triple play bundles" of voice, video and data service.
- Several cellular telephone companies offer wireless video services through handheld devices. In general, users may select segments of news, sports, weather and music videos, although full-length video is available on a limited basis.

#### The Impact of Municipal Franchising

Municipal franchising of cable TV is supposed to serve consumers' interests, but consumers hardly feel well-served: Cable garnered lower customer satisfaction scores than the Internal Revenue Service in a recent survey.<sup>25</sup> Consumers complain most often about cost and service quality.

This dissatisfaction is understandable. Although the Consumer Price Index increased by 2.52 percent annually between 1991 and 2006, the price of cable increased by an annual average of 3.47 percent in that period. Not surprisingly, rates were measurably less in communities with competition in cable services. According to government figures, the monthly cable rate was 15.7 percent lower in competitive markets compared to those without competition.<sup>26</sup>

Cable industry executives insist that rates are rising because customers are getting more for their money. Therefore, in our survey of 15 communities in Southeast Michigan, the state's most populous region, we calculated changes in cable rates on a per-channel basis. The average of the increases over 15 years was nearly 67 percent. In fact, cable rates in these communities have on average experienced an annualized rate of increase that is nearly 38 percent above the annual inflation rate from 1991 to 2006.

Consumers are indeed getting more channels in their cable packages. But it is important to note that customers have little choice when a cable operator decides unilaterally to add channels and charge more for them.

Cable TV Rate Changes in 15 Michigan Communities

City	Monthly Rate 1991	Rate Per Channel 1991	Monthly Rate 2006	Rate Per Channel 2006	Nominal Increase	Real Increase
Royal Oak	\$20.25	\$0.30	\$43.49	\$0.65	114.8 %	478%
Detroit	\$17.00	\$0.31	\$48.99	\$0.65	111.3 %	45.4 %
Troy	\$20.25	\$0.29	\$43.49	\$0.61	108.7 %	43.6 %
Berkley	\$20.25	\$0.30	\$43.49	\$0.61	103.3 %	39.9 %
Southfield	\$18.50	\$0.40	\$48.99	\$0.71	76.5 %	21.5 %
Taylor	\$16.50	\$0.38	\$43.49	\$0.63	68.1 %	15.7 %
Pontiac	\$19.95	\$0.45	\$48.99	\$0.74	63.7 %	12.7 %
Bloomfield Hills	\$19.68	\$0.44	\$48.99	\$0.70	60.0 %	10.1 %
Livoni <b>a</b>	\$16.95	\$0.35	\$43.95	\$0.55	55.6 %	7.1 %
Birmingham	\$19.68	\$0.44	\$48.25	\$0.67	53.2 %	5.4 %
Dearborn	\$18.90	\$0.40	\$43.49	\$0.61	52.3 %	4.8 %
Farmington Hills	\$16.95	\$0.39	\$43.95	\$0.55	39.4 %	- 4.1 %
Warren	\$21.75	\$0.49	\$43.49	\$0.66	33.3 %	- 8.3 %
Plymouth	\$19.95	\$0.49	\$43.49	\$0.64	31.4 %	- 9.6 %
Inkster	\$16.95	\$0.51	\$48.99	\$0.67	30.7 %	- 10.1 %
AVERAGE	\$18.97	\$0.41	\$45.70	\$0.64	66.8 %	14.8 %

Sources: 1991 Data from Tim Kiska and The Detroit News; 2006 data from Comcast and Bright House

As noted earlier, the technology to deliver competing video services does exist, but few consumers actually have access to the range of service options. The principle culprit is local franchising, which, according to numerous studies, restricts competitors' entry into the local market.

The number of municipal franchising authorities nationwide exceeds 33,000, and there are some 1,200 in Michigan alone.<sup>27</sup> Internet-based video services are not explicitly compelled by law to obtain a local franchise from a municipality, as is cable. Nonetheless, under the guise of "a level playing field," most municipalities as well as cable industry executives demand that newcomers obtain a franchise with provisions identical to that of the incumbent before launching service. But having to secure agreements from every community in which it hopes to operate presents to newcomers an insurmountable barrier to market entry.

Municipal officials promise to negotiate in good faith with prospective competitors, and no doubt many would. But even if a municipal franchise were to be issued quickly, the regulatory requirements therein would be economically unsustainable — and nonsensical. As economist Thomas Hazlett points out, the argument for a so-called level-playing field "serves to justify franchise obligations for entrants even as the original rationales — natural monopoly and rate regulation — have disappeared. The

premise of regulation has flipped from consumer protection to incumbent protection."28

It is important to remember that incumbent cable firms were granted a monopoly in exchange for conceding to rate regulations, service giveaways and "build-out" requirements that mandate service to all residents irrespective of consumer demand or infrastructure costs. New competitors, however, can only expect to garner a slice of a market where a cable service provider is already dominant and where satellite services have likewise existed for years. As Thomas Hazlett explains: "(I)dentical franchise obligations are typically far more economically burdensome for competitive entrants."<sup>29</sup>

Consequently, legacy franchise requirements dissuade investment in competing video services.

Local officials say they must maintain franchise control in order to regulate the use of public property on which network infrastructure is located. However, municipalities would retain this authority even if lawmakers established statewide franchising, as has occurred elsewhere. Moreover, most broadband service providers already pay municipalities for the use of local rights of way.

Build-out requirements are among the most egregious provisions of municipal franchises with respect to stifling competition. Build-out requirements force companies to offer services regardless of population density and the cost to deploy service — all of which runs counter to a rational business plan and which dissuades investors from entering the market. Like other businesses, video firms understandably seek to establish new service where demand is likely to be greatest (cities) and, therefore, where returns will be maximized. Positive returns enable expansion, which would fuel expanded deployment into less populated areas.

"The financial investment undertaken by cable systems embeds a projection of future returns that is fundamentally altered when the pattern of network construction is controlled by external political agents," said Hazlett.<sup>30</sup> "Congress, in the Cable Consumer Protection and Competition Act of 1992, explicitly advised local governments to waive strict build-out requirements that discouraged competitive entry. Unfortunately, there was no enforcement mechanism included."

Far from leveling the playing field between incumbent and competitor, build-out requirements actually undermine the newcomer. The incumbent's build-out occurred in the past, and has long been absorbed by its rate structure. But the cost of build-out to rivals is fully in the present, when the pressure to keep rates low is far greater than when the incumbent entered the market without rivals.<sup>31</sup>

Build-out requirements are simply unnecessary because telecommunications firms have every incentive to increase market share, not rebuff customers. Low-income households, in particular, are heavy consumers of video services, and constitute the fastest growing segment of the broadband market.

Further obstacles to competition are the municipal franchise provisions that require free video services for schools and colleges, all manner of government facilities, as well as for "public access." Aside from the sheer audacity of forcing a business to give government free service, there is the potential conflict of interest in having office holders wielding control of TV content.

As illustration, consider the case of a suburban Detroit mayor who pulled a tape of a forum sponsored by the League of Women Voters because the mayor apparently disagreed with the views expressed on the program. The forum had been organized to discuss whether the charter should be amended to move the city from a strong-mayor form of government to a city manager form. Or consider the member of a city council who stalled a vote on franchise renewal over a cable company's resistance to providing free service to residents.

According to a study by the Phoenix Center for Advanced Legal & Economic Public Policy Studies, a one-year delay in competitive entry due to franchise agreements costs consumers \$8.2 billion in benefits. 32 That makes the barriers to competitive entry caused by local franchising far in excess of the revenue generated by the franchise fees paid to the municipalities.

#### **Benefits of Eliminating Franchises**

Where franchise reform has been adopted, the benefits have been both immediate and substantial. The recent approval of franchise reform by the California Assembly prompted AT&T to announce its intention to invest more than \$1 billion in network upgrades in the state. The recent passage of statewide franchising in Indiana will produce an expansion of high-speed DSL service to 33 rural communities. Franchise reform in Texas resulted in new broadband service to 71 communities, and an analysis by the Perryman Group projects more than \$3.3 billion in new telecom investment and thousands of new jobs for the state.<sup>33</sup> It took Verizon a mere 17 days to obtain the first statewide franchise awarded.

In 2004, the GAO examined six market pairs to analyze the impact of competition between a cable company and a broadband service provider. According to the study, the communities with broadband competition experienced lower rates (23 percent lower for basic cable, on average) and higher service quality. 35

The GAO has also concluded that satellite competition lowers cable rates only slightly, but does induce the cable incumbent to add more independent networks to its channel line-ups.<sup>36</sup>

Several studies have shown myriad spin-off benefits to lower cable rates. To the extent that rates drop, current customers are likely to upgrade their service while households that currently don't subscribe will do so. This increase in demand, in turn, spurs high-tech capital investment and job creation, which benefits all Americans.

Researchers Robert W. Crandalland Robert Litan analyzed 2006 survey data and concluded that the introduction of competition from wire line companies will increase the number of video service subscribers between 29.7 percent and 39.1 percent. This expansion of the customer base ultimately exceeds the drop in rates, causing franchise fee revenue to grow — which makes municipalities' opposition to reform all the more puzzling.

"We find that local franchise fee receipts in areas currently without a wireline competitor will increase by between \$249 million and \$413 million per year," the study

states. "We also find that local employment will improve as a result of (wire line) entry into the (video) market, since capital investment, such as the deployment of fiber for video services, has historically resulted in job creation. For example, we estimate that the \$2 billion that Verizon invested last year in its new broadband product created between 3,300 and 7,400 additional jobs.

Finally, the one incalculable benefit to franchise reform is perhaps the most valuable. Reducing government interference in the video market — any market —bolsters free enterprise, which is a necessary condition for liberty to thrive.

### **Opportunities for Reform: House Bill 6456**

As a matter of policy, there is little rationale for maintaining a franchise regime of any sort. The development of competitive video alternatives to cable undercuts the primary justification for municipal franchising. Moreover, state law would still empower communities to manage public rights-of-way in the absence of municipal franchising. Unfortunately, resistance to reform runs strong among those with a vested interest in the status quo — that is, municipalities and the cable industry. But enhancing consumer benefits and technological innovation matters far more than preserving regulators' powers or special-interest advantages.

Franchise reform has been the subject of five hearings before the House Committee on Energy and Technology this session. On Sept. 12, Chairman Mike Nofs, R-Battle Creek, introduced legislation to replace municipal franchising with a uniform statewide franchise. Coming in at 22 pages, House Bill 6456 is hardly a model of deregulation. Excessive franchise fees, service giveaways and build-out requirements would persist, including:

- Payment of a "video service fee" to each municipality in which video service is provided. The annual payment must equal either the lowest percentage of gross revenue currently paid by the incumbent cable operator or up to 5 percent of gross revenue, whichever is less. The line items that constitute "gross revenue" are extensive.
- Providing free network capacity for the same number of public, educational and governmental access channels as are provided by the incumbent cable operator. Service providers will be assessed a fee to support these channels that is equal to either one percent of gross revenues, the percentage of

- gross revenues required of an incumbent cable operator, or the amount paid on a cash basis per subscriber, whichever is less.
- Build-out requirements that mandate (a) service to at least 25 percent of low-income households within three years of launching service; (b) service to at least 30 percent of low-income households within five years of launching service; (c) service access to at least 35 percent of all households in the provider's service area within three years of launching service; (d) service access to not less than 50 percent of households in the provider's service area within five years of launching service.

However, the bill would, if enacted, end the power of municipalities to dictate the rates, terms and conditions of video services. Instead, the Michigan Public Service Commission would establish uniform franchise provisions for use statewide. This is well and good for newcomers, who would avoid time-consuming and costly negotiations with dozens of local franchise authorities. But an incumbent firm would have to wait for an existing municipal franchise to expire before becoming eligible to operate under a state franchise in that community. As consolation to incumbents, the bill would penalize municipalities that refuse to abrogate the local franchise by diverting fees to the state.

Those aspects of the bill are troublesome. Some legislators are apparently under the impression that franchise "agreements" constitute contracts deserving of all legal protections. But franchise agreements, unlike contracts, do not involve a willing buyer and a willing seller. In reality, they are instruments of regulation. Therefore, it would be perfectly appropriate for the Legislature — indeed incumbent upon lawmakers — to free the market from them.

Supporters of reform evidently are willing to settle for incremental progress, and thus are pressing for passage of HB 6456. In principle, the bill does not go nearly far enough in easing barriers to competition. But the reality is that most lawmakers probably do not have the political will to enact broader reforms in the face of fierce opposition from municipalities and the cable industry.

#### Recommendations

Model legislation for franchise reform would contain the following elements:

• Elimination of barriers to competition, such as a franchise bureaucracy, in order to provide

- consumers greater choice of video technology and service provider.
- Elimination of build-out requirements and other service mandates that dissuade investment in video services and job creation.
- Elimination of rate regulation and franchise fees that artificially inflate consumers' costs.
- Elimination of performance standards which tend to neutralize the competitive discipline imposed by market forces.
- Ensure that no segment of the market enjoys a regulatory advantage.

# **Endnotes**

- The term "Baby Bells" refers to the seven regional telephone companies created when AT&T agreed to divest itself of local calling services following allegations of antitrust by the U.S. Department of Justice.
- <sup>2</sup> Biography of Robert Tarlton, board member, The Cable Center, Denver, CO, Education and Information Resources, http://www.cablecenter.org/about/boardDetail.cfm?id=51.
- <sup>3</sup> Thomas R. Eisenmann, "Cable TV: From Community Antennas to Wired Cities," Business History Review, July 10, 2000.
- 4 http://en.wikipedia.org/wiki/HBO. See HBO History.
- 5 HBO program signals are beamed to a satellite in stationary orbit more than 22,000 miles above the Equator. The satellite bounces the signals back to terrestrial receivers throughout North America.
- Nielsen Media Research, "Nielsen Reports Americans Watch TV at Record Levels," Sept. 29, 2005.
- Federal Communications Commission, "Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, 12th Annual Report, March 3, 2006.
- 8 Ibid.
- Ibid.
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- Jonathan E. Samon, "When 'Yes' Means No: The Subjugation of Competition and Consumer Choice by Exclusive Municipal Cable Franchises," Seton Hall Law Review 747.
- Policy, Consumers Union, Testimony
  Before the Antitrust, Competition Policy and Consumer Rights
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  .cfm?id=813&wit\_id=2359.
- <sup>13</sup> Austan Goolsbee and Amil Petrin, "The Consumer Gains from Direct Broadcast Competition with Cable TV," May 29, 2001.
- <sup>4</sup> U.S. General Accounting Office, "Issues Related to Competition and Subscriber Rates in the Cable Television Industry," GAO-04-8, Oct. 2003.
- 15 Ibid.
- in Ibid.
- \*\* U.S. General Accounting Office, "Telecommunications: Wire-Based Competition Benefited Consumers in Selected Markets," GAO-04-241, Feb. 2004.

- Federal Communications Commission, "Eleventh Annual Report, In the Matter of: Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming," Feb. 4, 2005.
- 19 See 47 U.S.C. § 541, Part III (1996), "General Franchise Requirements, http://www.mass.gov/dte/catv/documents/telec626.pdf#search=%2247%20U.S.C.%20541%201996%22.
- <sup>20</sup> Thomas W. Hazlett., "Station Brakes: The Government's Campaign Against Cable Television," Reason, Feb. 1995.
- Jonathan E. Samon, "When 'Yes' Means No: The Subjugation of Competition and Consumer Choice by Exclusive Municipal Cable Franchises," Seton Hall Law Review 747.
- 22 Ibid
- <sup>23</sup> Fiber optics refers to the transmission of information as light pulses along a glass or plastic wire. Transmitters convert electrical impulses from a computer into light streams. The use of optical fiber eliminates the electromagnetic interference commonly experienced with copper cables.
- DSL technology enables data to be transmitted at high speeds through the copper-wire telephone network. A "transceiver" linked to a personal computer connects to the network of an Internet Service Provider through the local telephone network. Data is compressed into digital packets and routed by the Internet Service Provider to the World Wide Web.
- <sup>25</sup> American Customer Satisfaction Index, May 16, 2006. http://www.theacsi.org/first\_quarter.htm#cst
- Federal Communications Commission, "Report on Cable Industry Prices," Feb. 4, 2005, http://hraunfoss.fcc.gov/edocs\_public/attachmatch/FCC-05-12A1.pdf.
- <sup>27</sup> Thomas W. Hazlett, "Cable TV Franchises as Barriers to Video Competition," George Mason University School of Law, p. 3, n. 15.
- <sup>28</sup> Ibid., p. 38.
- 29 Ibid.
- <sup>30</sup> Ibid, p. 24.
- 31 T.W. Hazlett and G.S. Ford, "The Fallacy of Regulatory Symmetry: An Economic Analysis of the 'Level Playing Field' in Cable TV Franchising Statutes," Business and Politics, Vol. 3, No. 1, 2001.
- <sup>32</sup> G.S. Ford and T.M. Koutsky, "'In Delay There is no Plenty': The Consumer Welfare Costs of Franchise Reform Delay," Phoenix Center, Washington, D.C., January 2006
- 33 The Perryman Group, "An Assessment of the Impact of Competition in the Delivery of Wireline Video Services on Business Activity in Texas," July 2005.
- Each market pair contained a community with a broadband service provider and one without. The market pairs were chosen based on their similarities in terms of size and demographics.
- <sup>35</sup> U.S. General Accounting Office, "Telecommunications: Wire-Based Competition Benefited Consumers in Selected Markets," GAO-04-241, Feb. 2004.
- 36 Ibid.
- <sup>37</sup> R. Crandall and Robert Litan, "The Benefits of New Wireline Video Competition for Consumers and Local Government Finances," Criterion Economics, LLC, May 2006.



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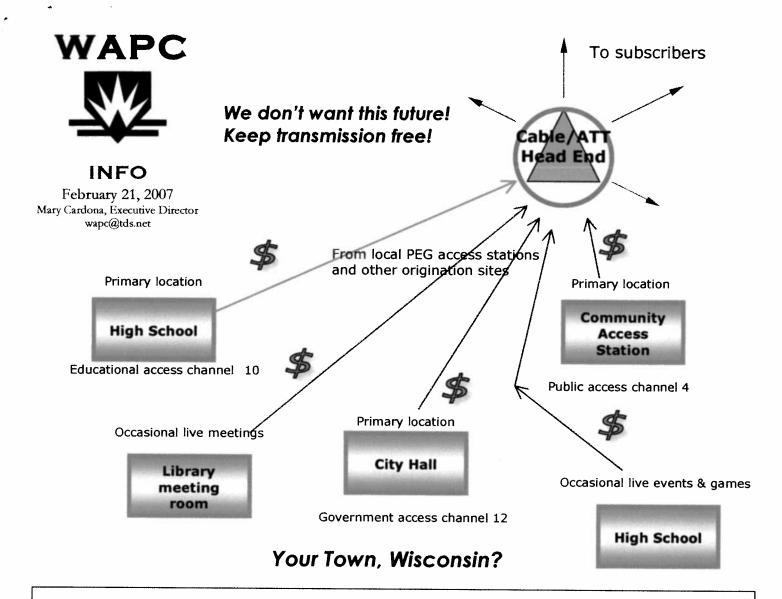
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# WISCONSIN STATE LEGISLATURE





Upstream Transmission. ATT says it is happy to carry Public, Education, and Government (PEG) access channels on its video (cable) system. WAPC applauds its support. PEG channels serve vital local needs. But let's make sure video providers, both cable operators and telephone companies, continue to be responsible for getting our local programming onto the cable or video system.

Currently, cable companies provide signal carriage as part of the local franchise agreement. Local programs travel upstream from City Hall, for example, to the cable company "head end" -- a central point from which all programming is distributed to subscribers. Operators provide the equipment, maintain the lines, and are responsible for the technical quality of the access channel signal.

Some states served by ATT have passed state video franchise legislation that makes <u>cities</u> responsible for getting local programming from its origination point to the company's distribution site ("upstream transmission"). This does not make technical or financial sense. <u>ATT wants this change, as it transfers a cost of doing business from video providers to cities.</u>

ATT guesses that equipment "might be as low as \$10,000 per site" plus the lease of lines. <u>Using the above example</u> the cost could be \$50,000 for equipment plus \$36,000 to annually lease T-1 lines (est. \$1,000/mo. - varies from market to market) for the three primary origination sites plus hourly fees for T-1 service for occasional live programming from other sites. <u>Total cost to this city: \$90,000 the first year and \$40,000 per year after that</u>. What if cable companies charge access stations a similar fee for carriage? A level playing field for all video providers means that they could. All costs might DOUBLE.

In some states, ATT has suggested a standardized 1% PEG support fee on top of the 5% franchise fee on video gross revenues. In cities with populations under 20,000 to 25,000, this 1% support would be eaten up by the upstream transmission costs ATT wants transferred to cities, leaving no earmarked PEG support for day to day PEG operations. Many Wisconsin cities rely on PEG fees of between 0.5% and 3% to make access operations viable, even when they use the entire 5% franchise fee. If the cost of "upstream transmission" is transferred to cities, many access channels will "go off the air."

Local programming is important to our communities. Video providers have a public interest obligation to make non-commercial local programming viable. Video providers should continue to bear the responsibility for upstream transmission.

See Suggested Language on Upstream Transmission and Janesville letter re Charter's emergency help with live coverage of its City Council meeting.

Next Topic: Streaming video the ATT way: Is it television quality?



# Wisconsin Association of PEG Channels

Serving the needs of public, education, and government cable access television stations since 1998.

# Suggested language on upstream transmission

# Please consider. Do you agree?

- Local programming on multi-channel systems is of value to our communities.
- State government has an obligation to protect local community speech on multi-channel networks.
- ATT has agreed local speech is important.
- ATT has agreed to carry local speech (PEG channels) as a public interest obligation.
- "To agree to carry" should mean the video provider assumes financial responsibility for the transmission equipment and the land-line path used to reach the video provider's distribution point. Cable companies have always assumed this financial responsibility.
- To do less would in fact harm local speech PEG channels. The equipment and transmission charges would be so burdensome, that many small to medium-sized cities would have no choice but to discontinue access channels -- even with a 1% PEG fee.

Please do not shift the cost of transmitting access channels from the video provider to cities.

The following language is contained in the U.S. House of Representatives Barton bill (Section 630(c)(e)(4)(C), which was agreed upon by the telephone companies at that time and used in Senate drafts of similar legislation last session:

The cable operator shall be responsible for the transmission from the signal origination point (or points) of the programming, or from the point of interconnection with another cable operator under subparagraph (D), to the cable operator's subscribers, or any public, educational, or governmental programming produced by or for the franchising authority and carried by the cable operator pursuant to this section.

# The following language is contained in the League of Wisconsin Municipalities draft bill being circulated:

The competitive cable or video provider bears the responsibility for providing at an origination point a composite video and audio signal consistent with the Federal Communications Commission NTSC transmission standard. The competitive cable or video provider shall also be responsible for the transmission of the programming from the signal origination point (or points), or from the point of interconnection with another franchised cable or video provider, to its subscribers, of any PEG programming produced by or for the franchising authority and carried by the cable operator pursuant to this section. (section 9(e))

# The following language damages public, education, and government access channels

#### Indiana law (Section 27(b))

A unit or an incorporated area that receives the benefit of a PEG channel provided under section 25, 26, or 26.5 of this chapter shall ensure that all transmissions, content, and programming that are transmitted over a channel or other facility of the provider are submitted to the provider in a manner or form that:

- (1) is capable of being accepted and transmitted by the provider over the provider's video service system;
- (2) does not require additional alteration or change in the content by the provider; and
- (3) is compatible with the technology or protocol used by the provider to deliver video service.



TO: Steve Sheiffer, Janesville City Manager FROM: Judi Kneece, JATV 12 Station Manager

RE: CHARTER COMMUNICATIONS SAVED THE DAY!

DATE: February 14, 2007

On Monday, February 12, 2007, 2 p.m., I received a call from the Janesville City Manager's office—the water pipe was frozen in the Municipal Building and the evening City Council meeting had to be relocated to a site with cable service going out to the community. JATV 12 staff broadcasts the meetings from the Municipal Building; however, our public access studio was too small to accommodate the council, staff and citizens. Fortunately the school district educational access site was available.

I contacted Rich Griffa, Charter Cable Service Technician, to inquire if the broadcast on the school channel (13) could also be broadcast on our station, channel 12. He indicated he would talk to Mike Nahmans at the Head End site. In less than 15 minutes Rich called me back to report that with some quick splicing Mike was able to successfully transmit 13 to 12. They even demonstrated the change to me at that moment because there was a short break in programming on both channels.

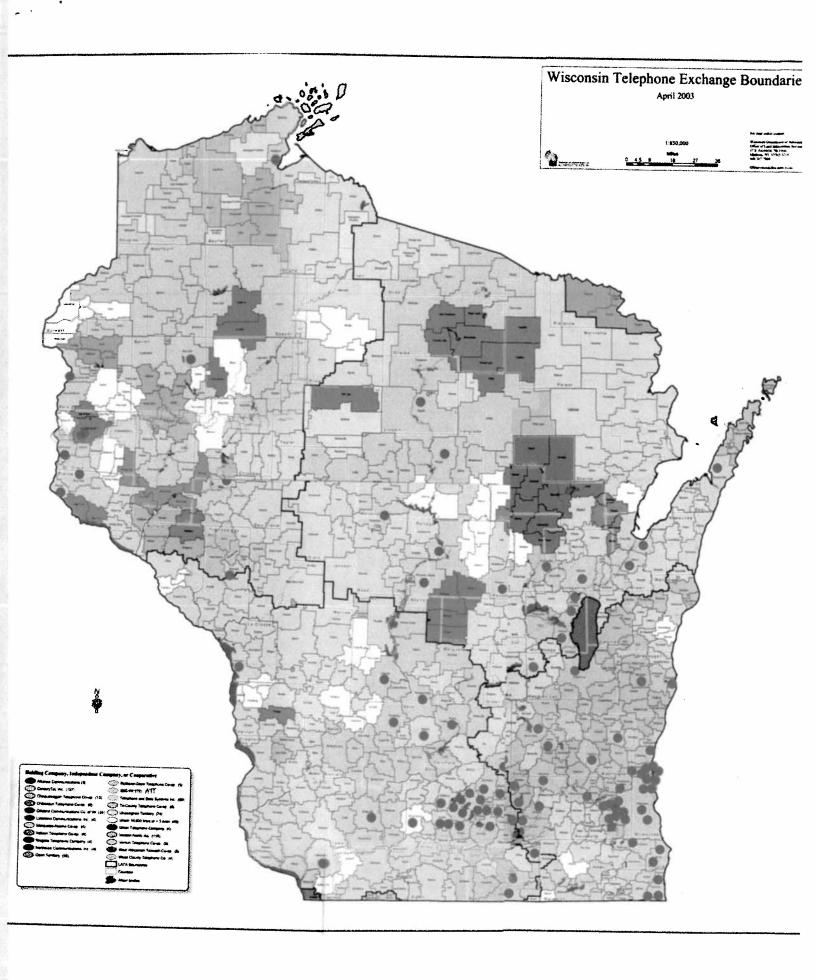
Hundreds of citizens watch the council meeting and it was critical that we offered the broadcast on channel 12. As a result of their quick response, we knew that the community could watch the council meeting on channel 12 without confusion or interruption. Mike Nahmans had to make the switch at 7:25 p.m. and monitor the meeting to make the switch back to regular JATV 12 programming when the meeting adjourned.

The JATV production coordinator operated the school district camera equipment while I monitored the broadcast in our studio at the public library. Everything went very well given such short notice, right down to the timely switch on the part of cable staff before and after the meeting.

During our ten-year operation as the public access television station in Janesville, this technical support is typical of Charter staff. Every time I call with a question or request for technical service they respond immediately. They are always in the immediate area, not hundreds of miles away.

The consistent and timely service from cable technicians and staff has played an important role in our success in providing local television programming such as government meetings, community forums, and quality entertainment. It is critical to the station's future and the expectations of thousands (18,000 subscribers) of viewers.

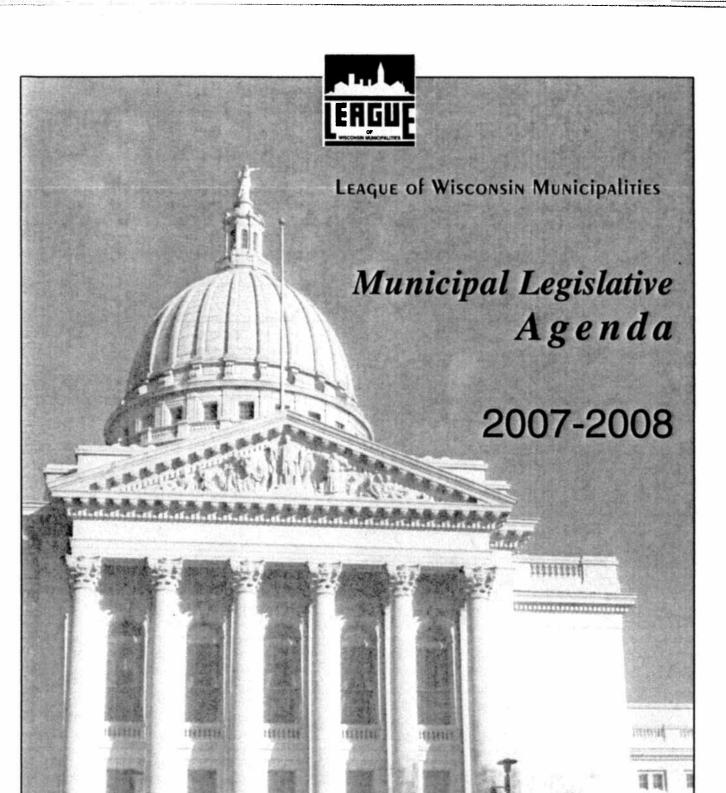
Cc: Mary Cardona, Executive Director, WI Assoc. of PEG Channels Tim Vowell, Government Relations, Charter Communications





# WISCONSIN STATE LEGISLATURE





Strong Communities Make Wisconsin Work

# Municipal Legislative

## **ABOUT THE LEAGUE:**

The League of Wisconsin Municipalities is a voluntary nonprofit and nonpartisan association of cities and villages working to improve municipal government's ability to serve the people. Established in 1898, the League acts as an information clearing-house, lobbying organization and legal resource for Wisconsin municipalities. The League's membership consists of 388 villages and 188 cities. For more information about the League, its members, and the services it offers visit our Web site: www.lwm-info.org.

## **CORE PRINCIPLES**

Preserve Local Control. Wisconsin cities and villages are granted extensive home rule powers to govern themselves in local matters without state interference. The League will oppose any legislation preempting or reducing municipal authority relating to spending and taxing decisions, annexation, land use regulation, employee relations, impact fees, tax incremental financing or any other matters that are primarily local in nature.

**Preserve Local Revenue Sources.** Municipalities are the cornerstone of good government in Wisconsin and are responsible for:

- Providing the infrastructure necessary for economic growth and prosperity.
- Providing the public services needed to ensure a high quality of life.

The delivery of quality services depends on having predictable and sufficient revenues. Wisconsin municipalities receive most of their revenue from two sources: property taxes and state aids. It is imperative that the municipal tax base be preserved and that the state adequately fund local services.

The League will oppose legislation that: (1) reduces shared revenue and other state aids to municipalities; or (2) creates a property tax exemption.

## LEGISLATIVE AGENDA

#### HEALTH INSURANCE

Comprehensive Health Care Reform. We urge the Governor and state legislature to work with local governments and the private sector to develop a comprehensive plan for addressing the health care cost crisis in Wisconsin.

Health care costs are consuming more of municipal budgets and making it impossible for municipalities to provide the same level of services while holding the line on property taxes. Also, collective bargaining laws make it difficult for municipalities to unilaterally modify employee health insurance benefits. As a result, escalating health insurance costs are creating significant hardships for municipalities.

The League supports both the Wisconsin Health Care Partnership Plan, introduced last session as SB 698, and the Wisconsin Health Plan, introduced last session as AB 1140.

#### FINANCE AND TAXATION ISSUES

**State Shared Revenues.** For over 90 years the shared revenue program has been a key component of Wisconsin's state and local government fiscal relationship. In recent years, funding for the program has been cut and even threatened with extinction due to the state's fiscal difficulties.

- ✓ The shared revenue and expenditure restraint programs must be maintained and should be funded at least at 2006 levels, which is 7.1% of GPR.
- ✓ The League supports the Wisconsin Alliance of Cities' plan calling for using 2006 funding levels as a base and distributing any new shared revenue money to cities, villages and towns under a new formula as follows:
  - 1. 25% to all cities, villages and towns, as a percentage increase of their base.
  - 2. 75% to cities, villages and towns that levy 3 mills or more on a regional basis based on need and the percentage of revenue growth attributable to that region.
- ✓ Support the Kettl Commission recommendation of creating a regional growth-sharing program funded by at least a .25 percent carveout of the current state sales tax.

Local Transportation Funding. A safe, efficient and well-maintained transportation system is critical to Wisconsin's economic prosperity and quality of life. Local governments have jurisdiction over 90% of Wisconsin's road miles. Municipalities are also responsible for operating mass transit systems in Wisconsin.

The percentage of local transportation related costs that the state reimburses has steadily declined. When the current general transportation aid formula was established in 1988, municipalities receiving aid on a share of cost basis, which is most cities and villages, received an amount covering 24 percent of their costs. Today, general transportation aid payments equal about 18% of municipal costs. Municipal property taxpayers are being forced to cover an increasingly larger percentage of the cost of local roads.

✓ The governor and legislature should increase funding for GTA and the Local Road Improvement Program to a level that is sufficient to return the state's share of local costs to 1988 levels – covering 24 percent of municipal costs.

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✓ The governor and legislature should increase funding of the mass transit operating assistance program to cover 42 percent of the cost of mass transit systems, which is the benchmark recommended by the Joint Legislative Committee on Transportation Needs and Finance.

**TABOR.** The League opposes inserting taxing and spending limits on state and local government into the Wisconsin constitution. Such efforts interfere with a municipal governing body's control over local taxing and spending decisions and undermine Wisconsin's tradition of representative democracy. The League urges the Legislature to reject TABOR or the Taxpayer Protection Amendment in any form.

Eliminate Certain Tax Exemptions to Reduce the Property Tax Burden on Homeowners. To reduce the property tax burden on local homeowners, the legislature should focus its efforts on shrinking the number and scope of property tax exemptions created in this state for special interests. Increases in property tax exemptions over the years have unfairly shifted more of the burden of paying for municipal services onto homeowners. In 1970, residential owners paid 50.6% of all property taxes in Wisconsin. Currently, as a result of property tax exemptions granted by the legislature and increases in the value of residential property, homeowners pay over 70% of the total property taxes in Wisconsin. We urge the legislature to establish a process for reviewing all existing property tax exemptions and retaining only those that clearly advance important public policy goals.

Fairly Apportion Costs of Property Tax Assessment Among All Taxing Jurisdictions. Cities and villages bear the full cost of assessing properties within the community to determine their value for property tax purposes. All jurisdictions levying property taxes within the municipality rely on the municipality's assessed value of the property tax base. The League supports the enactment of legislation establishing a fair method of sharing the cost of property tax assessment by requiring all taxing jurisdictions within a municipality to contribute a proportionate share towards such costs.

Eliminate the Tax Exemption for High-End Senior Housing Facilities Owned by Benevolent Associations. Reintroduce and enact 2005 Assembly Bill 573 to end the unfair shifting of the property tax burden onto residential homeowners that occurs under current law as a result of high-end nonprofit senior housing facilities claiming tax-exempt status.

#### Eliminate Double Taxation of Municipal Property Owners.

Taxpayers in cities and villages pay county property taxes for certain services they do not receive from the county because the city or village provides such services. Some examples of this double taxation are county sheriff patrol services, and planning and zoning administration. In the past, the Wisconsin Legislature and

Governor have recognized the inequity of municipal property taxpayers paying twice for certain services. For example, state law currently allows municipalities to opt out of paying the county levy for library services and public health department functions. Legislation should be enacted exempting city and village taxpayers from paying property taxes for sheriff patrol services, county zoning and planning, and other services the county does not provide to city or village residents.

Expand Municipal Power to Impose Fees and Collect Payments in Lieu of Taxes. Wisconsin's tax burden ranks high in part because we have chosen to make less use of fees and charges. State law should be changed to:

- ✓ Provide municipalities with the option of shifting the cost of certain services off of the property tax levy by expanding municipal authority to charge all property owners, including tax exempt entities, fees for making certain services available (e.g., fire protection).
- ✓ Authorize municipal sewer and storm water utilities to make payments in lieu of taxes (PILOTS) to municipalities. Under current law, a municipal water utility may make a payment in lieu of taxes to the municipality but not sewer or storm water utilities.

Make Appeals of Board of Review Decisions on Property Assessments Fairer. Reintroduce and enact 2005 Assembly Bill 1051, prohibiting a reviewing court from considering any evidence that a property owner did not present to the board of review regarding his or her property's assessed value.

Restore Ability to Charge Developers Fees in Lieu of Land Dedication. Repeal prohibition enacted last session on charging developers fees in lieu of park land dedication as a condition of subdivision approval. This prohibition was included in Act 477 and represents a major change in subdivision approval law that we strongly oppose. Since the early 1960s, it was common and accepted practice for municipalities to charge developers a fee in lieu of land dedication to fund the purchase of lands for parks, bike trails or other public improvements. This authority should be restored.

Deadline by Which Impact Fees Must be Used. Repeal recent legislation, 2005 Wisconsin Act 203, requiring that impact fees not used within seven years after collection be refunded to the current property owner. At a minimum, the legislature should make the seven year "use it or lose it" requirement applicable to impact fees first charged after the effective date of Act 203, not to previously imposed and collected impact fee revenue.

## **Exempting Municipalities from the State Gas Tax.**

Reintroduce and enact AB 726 allowing municipalities to annually obtain a refund of the state gas tax.

#### **LABOR RELATIONS**

Employee Contribution to WRS Pension Benefits. Require new employees of local governments participating in the Wisconsin Retirement System to pay the first three percent of the employee's contribution to the WRS and make this contribution non-bargainable.

Collective Bargaining on Health Insurance. Allow local governments to choose, without the need to collectively bargain, the Wisconsin Employee Trust Fund's health insurance program or a substantially similar plan for their employees.

Paying Salaries of Discharged Milwaukee Police Officers. Reintroduce and enact 2005 Assembly Bill 599 repealing a current state law requiring the City of Milwaukee to continue to pay a discharged police officer while the police and fire commission's decision to discharge is being appealed.

#### INTERGOVERNMENTAL COOPERATION

Reduce Duplication of Services by Making it Easier for Municipalities to Consolidate. Municipalities recognize the savings and efficiencies that can result from reducing duplication of services through consolidation. Indeed, many municipalities are already working with their neighboring communities to provide services across a region. The state needs to do more to eliminate impediments to intergovernmental cooperation and consolidation. We recommend the following changes:

- ✓ Amend the Wisconsin constitution to create an exception to the uniformity clause that would allow a municipal governing body to establish different tax rate levies in recently consolidated parts of a community. Such a change would allow local governments to address the biggest stumbling block to consolidating two neighboring communities tax rate differences due to service levels differences.
- Allow municipalities the option of combining their police and fire departments into a single protective services department.
- ✓ Allow a municipality to use volunteers or contract with a private party or another governmental jurisdiction for

- service delivery without having to bargain that decision or its economic impact with employee unions.
- ✓ Make it easier for municipalities and towns to enter into cooperative boundary agreements by reintroducing and enacting 2005 Wisconsin Act 460.

#### ALCOHOL BEVERAGE LICENSING

Repeal State Quota on Number of Liquor Licenses a Municipality can Issue. Municipalities are granted the authority to issue beer and liquor licenses within their boarders but state law imposes a quota for "Class B" intoxicating liquor licenses that limits the number of such licenses each community can issue. Such restrictions interfere with local control and can hurt the economic development of a community. The League supports the enactment of legislation that repeals the quota on "Class B" liquor licenses.

#### CABLE TV AND VIDEO SERVICES

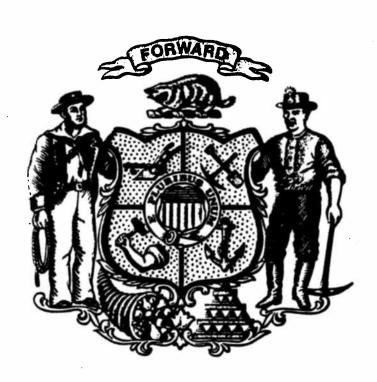
Video Franchising Legislation. Oppose statewide video franchising legislation unless it:

- Maintains the franchising authority of local governments over cable and video services.
- ✓ Requires the payment of franchise fees to municipalities by all video and cable providers operating within the municipality based on a broad definition of gross revenues.
- ✓ Requires that Public, Education and Government (PEG) channels be offered and supported by all providers.
- Requires certain reasonable levels of "build out" by new and existing providers within the municipality to guarantee investment, jobs, competition and choice for all neighborhoods.
- ✓ Allows an incumbent cable franchisee to opt into a newly created streamlined franchising process only in those franchise areas in which it faces competition from another provider operating under a streamlined franchise.
- ✓ Retains the authority of local governments to manage rights-of-way and protect local property taxpayers.

For more information contact: Dan Thompson, Executive Director, danthomp@lwm-info.org or Curt Witynski, Assistant Director, witynski@lwm-info.org.



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# **Chapter ATCP 123**

# TELECOMMUNICATIONS AND CABLE TELEVISION SERVICES

ATCP 123.02 ATCP 123.04	Definitions. Disclosure to subscriber. Subscription changes. Negative option billing.	ATCP 123.08 Automatic renewal or extension.  ATCP 123.10 Prohibited practices.  ATCP 123.12 Activities regulated by public service commission.  Initial applicability.
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Note: This chapter regulates subscription and billing practices related to telecom-

Note: Ins chapter regulates subscription and billing practices related to telecommunications services and cable television services provided to consumers. This chapter is adopted under authority of ss. 100.20 (2) and 100.207 (6) (e), Stats. Violations of this chapter may be subject to prosecution under ss. 100.20 (6), 100.26 (3), (6) and, in the case of telecommunications services, s. 100.207 (6) (b) and CStats. Persons damaged by violations of this chapter may bring private actions against the violators under ss. 100.20 (5) and 100.207 (6) (a), Stats.

against the viorators under st. 100.20 (2) and 100.20 (0) (a), 2008.

Federal law recognizes that state administrative rules may under certain circumstances be preempted by federal law or administrative action. It is the position of the department that any provision of this rule which specifically conflicts with any federal law which now exists, or is later enacted or amended, would be superseded by

#### ATCP 123.01 Definitions. In this chapter:

- (1) "Appointed provider of long distance telecommunications services" means a provider selected for a consumer according to procedures prescribed by the federal communications commission after the consumer fails to select a provider.
- (2) "Bill" means to represent to a consumer, directly or by implication, that the consumer is obligated to pay a stated amount for telecommunications services or cable television services pursuant to an existing contract with the provider of those services.
- (3) "Cable television service" has the meaning given in s. 196.01 (1p), Stats., and includes services billed to consumers by a multichannel video programming distributor as defined under 47 USC 522 (13).
- (4) "Consumer" means any individual to whom a provider sells, leases, or offers to sell or lease telecommunications services or cable television services primarily for personal, family or household purposes.
- (5) "Disclose" means to make a clear and conspicuous statement which is designed to be readily noticed and understood by the consumer and, if the disclosure is made in writing, which is designed to be retained by the consumer.
- (6) "Final stage receiving device" means a telephone, television or other device that transforms an electronic signal into a user-recognizable service used by a consumer.
  - (7) "Individual" means a human being.
- (8) "Long distance telecommunications service" means a long distance toll service provided on a direct-dialed, single message, dial-1 basis between local exchanges.
- (9) "Person" means an individual, corporation, cooperative, partnership, limited liability company, business trust, or business association or entity.
- (10) "Provider" means a person who sells, resells, leases, or offers to sell, resell or lease telecommunications services or cable television services to consumers. "Provider" includes an employee or agent who is authorized to act on behalf of and in the name of a provider.

Note: "Provider" includes a telemarketer or other person who sells telecommunications services or cable television services on behalf of and in the name of a pro-

- (11) "Service offering" means a telecommunication service or cable television service that is offered under a single name or at a single price. A "service offering" includes a cable television "service tier," as defined in 47 USC 522.
  - (12) "Subscribe" means to enter into a subscription.
- (13) "Subscription" means a contract between a provider and a consumer for telecommunications services or cable television

services, or both, which are provided or billed to the consumer on a continuing or periodic basis. "Subscription" includes an oral, written or electronically recorded contract, and includes any material amendment to an existing contract.

- (14) "Telecommunications carrier" has the meaning given in s. 196.01 (8m), Stats.
- (15) "Telecommunications service" has the meaning given in s. 196.01 (9m), Stats.
- (16) "Telecommunications utility" has the meaning given in s. 196.01 (10), Stats.
- (17) "Written" or "in writing" means legibly printed on a tangible non-electronic medium, such as paper, which is delivered to a consumer, or legibly printed in electronic form on a television screen or computer monitor if the consumer can readily retrieve, store or print the video image for future reference. "Written" or 'in writing" does not include presentation on a medium, such as a billboard, which cannot be conveniently retained by a consumer.

History: Cr. Register, July, 1996, No. 487, eff. 1–1–97; correction in (3) made under s. 13.93 (2m) (b) 7., Register November 2002 No. 563.

- ATCP 123.02 Disclosure to subscriber. (1) SUB-SCRIPTION TERMS. Except as provided under sub. (4) or (5), a provider shall disclose to a consumer the material terms of a proposed subscription at or before the time that the consumer subscribes. The disclosure shall include all of the following:
- (a) A clear identification of each service offering included in the subscription, including the material consumer features, functions or capabilities which comprise that service offering.

Note: For example, the identification of a cable television service tier should identify the channels which comprise that tier.

- (b) The price which the consumer must pay for each service offering. Prices may be disclosed as price schedules, rates or formulas, provided that the consumer can readily determine the total amount which he or she must pay. The price shall include the price for all goods and services which the provider bills to the consumer in connection with the service offering
- (c) All incidental charges that may affect the total amount payable by the consumer, including charges for connecting, changing or disconnecting service. This paragraph does not apply to finance charges or late payment charges if the provider discloses all of the following in writing when the provider first bills the consumer for the principal amount to which those finance charges or late payment charges apply:
- 1. The circumstances under which the finance charges or late payment charges will apply.
- 2. The amount of the finance charges or late payment charges, or the method for computing those charges if their amount is not
- (d) The effective date of the subscription unless all of the following apply:
- 1. The effective date depends on the action of a third party outside the provider's control.
- 2. The provider discloses a good faith estimate of the effective date and a means by which the consumer may verify the effective
  - (e) The expiration date of the subscription, if any.

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- (f) Any limitations on the consumer's right to cancel the subscription at any time.
- (2) DISCLOSURE IN WRITING. Except as provided under sub. (3), a provider shall make the disclosures under sub. (1) in writing. The provider shall disclose the material terms of the subscription in context with each other, and shall not separate those material terms by promotional information.
- (3) ORAL OR ELECTRONIC DISCLOSURE; WRITTEN CONFIRMA-TION. If a consumer subscribes orally or electronically, the provider may make the disclosure under sub. (1) orally or electronically, provided that both of the following apply:
- (a) The provider confirms the disclosure in writing on or before the 15th day after the consumer subscribes, or on or before the day that the provider first bills the consumer under the subscription, whichever is later. The provider may confirm the disclosure as part of a regular billing statement to the consumer.

Note: A provider may incorporate by reference, in its written confirmation under par. (a), information contained in a telephone book or other periodic reference document provided to the subscriber.

- (b) The provider does one of the following:
- Notifies the consumer that the consumer may cancel the subscription at any time without incurring any cancellation charge or disconnect fee.
- Notifies the consumer that the consumer may cancel the subscription, without incurring any cancellation charge or disconnect fee, prior to a specified cancellation deadline which is not less than 3 days after the consumer receives the written confirmation under par. (a).
- (4) Long distance telecommunications rates; EXEMPTION. A provider of long distance telecommunications services need not disclose specific long distance rates under sub. (1) if the provider discloses all of the following under sub. (1):
- (a) A method by which the consumer may readily determine, without cost to the consumer, the specific rate for long distance telecommunications service between two points. Rates disclosures under this paragraph need not include discounts under par. (b) that will apply.
- (b) Any discounts that will apply to long distance rates disclosed to the consumer under par. (a).
- (5) PAY-PER-VIEW CABLE TELEVISION CHARGES; EXEMPTION. A provider of pay-per-view cable television service need not disclose per-view charges under sub. (1) if all of the following apply:
- (a) The consumer does not incur the per-view charges unless the consumer specifically orders the services to which those charges pertain.
- (b) The provider discloses the per-view charges at or before the time that the consumer orders the services to which those charges pertain.
- (c) The provider discloses under sub. (1) any subscription charges which the consumer must pay for the right to order payper-view services under par. (a).

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

ATCP 123.04 Subscription changes. (1) DISCLOSURE REQUIRED. Except as provided under sub. (2), no provider may initiate any price increase or other subscription change without giving the consumer prior notice of that price increase or subscription change. The provider shall give the notice at least 25 days, but not more than 90 days, prior to the subscription change. The provider may give the notice as part of a regular billing statement to the consumer.

Note: Section 134.42 (2), Stats., requires a cable television provider to give a consumer at least 30 days advanced written notice before deleting a service or instituting a rate increase. 47 USC 76.309 (3) (i) (B) requires a cable television provider to give consumers a 30-day advance notice of any changes in rates or services regulated under 47 USC 543.

(2) EXEMPTIONS. Subsection (1) does not apply if any of the following apply:

- (a) The consumer orders the subscription change, and the provider complies with s. ATCP 123.02 in connection with that order.
- (b) The subscription change does not alter the price of the service offering or the total amount billed to the consumer, and does not materially alter the consumer features, functions or capabilities which comprise the service offering.
- (c) The subscription change merely expands a service offering currently billed to the consumer without doing any of the following:
- 1. Increasing the price of that service offering or increasing the total amount billed to the consumer.
- Combining that service offering with another service offering which the consumer can order separately, but which the consumer has not affirmatively ordered.
- Making other material changes to the consumer features, functions or capabilities which comprise that service offering.
- (d) The subscription change results from the expiration of terms granted to the consumer under an introductory or other promotional offer, provided that the provider disclosed both of the following to the consumer at or before the time that the consumer subscribed:
  - 1. The duration of the promotional offer.
- The terms that would apply after the promotional offer expired.
- (e) The subscription change is limited to a change in long distance rates that are exempt from disclosure under s. ATCP 123.02 (4).
- (f) The subscription change is limited to a change in pay-perview cable television charges that are exempt from disclosure under s. ATCP 123.02 (5).
- (g) Section ATCP 123.12 exempts the subscription change from coverage under this chapter.
- (3) DISCLOSURE FORM AND CONTENTS. A provider shall make the disclosure under sub. (1) in writing. The disclosure shall do all of the following:
- (a) Clearly describe the proposed subscription change, including any change in price, and any material change in consumer features, functions or capabilities.

Note: See s. ATCP 123.06 related to negative option billing.

- (b) Specify the effective date of the proposed change.
- (c) Disclose that the consumer may cancel any service offering directly or indirectly affected by the change, without incurring a cancellation charge or disconnect fee, effective not later than the effective date of the subscription change. This disclosure is not required if, under the terms of the subscription, the consumer may cancel service offerings at any time without incurring a cancellation charge or disconnect fee.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

- ATCP 123.06 Negative option billing. (1) PROHIBITION. Except as provided under subs. (2) or (3), no provider may bill a consumer for a service offering that the consumer has not affirmatively ordered. A consumer's failure to reject a service offering is not an affirmative order for service. A consumer's affirmative order for service may be made orally, electronically or in writing, subject to s. ATCP 123.02.
- (2) EXPANDED SERVICE OFFERING; EXEMPTION. A provider need not obtain an affirmative order from a consumer before expanding a service offering currently billed to that consumer unless the expansion has the effect of combining that service offering with another service offering which the consumer can order separately but has not affirmatively ordered.

Note: See s. ATCP 123.04 related to advance notice of price increases and other subscription changes, including expansions of service offerings.

(3) LONG DISTANCE TELECOMMUNICATIONS SERVICES; EXEMPTIONS. (a) Subsection (1) does not prohibit a provider of telecommunications services from billing a consumer for services which that provider is required by law to deliver to that consumer.

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(b) Subsection (1) does not prohibit a consumer's appointed provider of long distance telecommunications services, merely because that consumer did not affirmatively select that provider, from billing that consumer for services used by that consumer.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

ATCP 123.08 Automatic renewal or extension. No subscription for a definite period of time may be renewed or extended beyond its scheduled termination date, pursuant to an automatic renewal or extension provision in the contract, unless one of the following applies:

(1) The consumer is free to cancel the contract at any time.

(2) The provider gives the consumer a written notice reminding the consumer of the scheduled automatic renewal or extension. The reminder notice shall be designed to be readily noticed and understood by the consumer. The notice shall be given at least 30 days but not more than 60 days prior to the scheduled effective date of the automatic renewal or extension.

Note: A written notice under this section may be included as part of any billing statement given to the consumer at least 30 days but not more than 60 days prior to the effective date of the automatic renewal.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

# ATCP 123.10 Prohibited practices. No provider may do any of the following:

(1) Offer to a consumer any prize, prize opportunity, or free or reduced price goods or services whose receipt is conditioned upon an agreement to purchase or lease telecommunications services or cable television services unless the provider discloses that a purchase is required in connection with every public announcement or advertisement of the prize, prize opportunity, or free or reduced price goods or services.

Note: See also s. 134.74, Stats., and ATCP 123.02.

- (2) Misrepresent the provider's identity to a consumer.
- (3) Misrepresent that a consumer has subscribed to or received a telecommunications service or cable television service.
  - (4) Misrepresent the terms of a subscription.
- (5) Fail to identify, in each bill presented to a consumer, the service offerings for which the provider is billing the consumer.

- (6) Fail to honor, on a timely basis, a consumer's request to cancel a telecommunications service or cable television service according to this chapter and the terms of the subscription for that service.
- (7) Charge a consumer a fee for canceling a subscription or service offering unless the fee is disclosed to the consumer according to ss. ATCP 123.02 and 123.04.

Note: Section ATCP 123.04 (2) limits cancellation charges and disconnect fees in some cases, regardless of whether those fees are disclosed.

- (8) Bill a consumer for telecommunications services or cable television services in violation of this chapter.
- (9) Propose or enter into any contract with a consumer that purports to waive a consumer's rights under this chapter, or that purports to authorize any violation of this chapter.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

# ATCP 123.12 Activities regulated by public service commission. (1) This chapter does not apply to any of the following:

(a) Any activity, including any notice to a consumer of a subscription change, that is specifically authorized under ss. 196.194 (1), 196.207, 196.20, or 196.499 (4), Stats., or under a rule or order issued by the state of Wisconsin public service commission.

Note: For example, s. PSC 165.043 (5) requires a telecommunications utility to disclose specific information before providing a new non-basic service. Therefore, the more extensive disclosure requirements under s. ATCP 123.02 (1) do not apply. However, if the disclosures required by the PSC are made orally, the disclosures must be confirmed in writing pursuant to s. ATCP 123.02 (3).

- (b) A subscription change which a telecommunications provider implements by means of a tariff under ch. 196, Stats., other than a tariff change under s. 196.196 (3) or 196.499 (2), Stats.
- (2) This chapter does not authorize any activity prohibited by ch. 196, Stats., or by the state of Wisconsin public service commission under ch. 196, Stats.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

ATCP 123.14 Initial applicability. This chapter first applies to contracts, subscriptions, contract changes and subscription changes that take effect on or after January 1, 1997.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

to the primary business of that organization.

(d) For the purposes of paragraph (c) lottery means the pooling of proceeds derived from the sale of tickets or chances and allotting those proceeds or parts thereof by chance to one or more chance takers or ticket purchasers. It does not include the placing or accepting of bets or wagers on sporting events or contests.

(e) For purposes of paragraph (c)(3)(i) of this section, the term "not-for-profit organization" means any organization that would qualify as tax exempt under section 501 of the Internal Revenue

Code of 1986.

[37 FR 3278, Feb. 12, 1972, as amended at 40 FR 6210, Feb. 10, 1975; 42 FR 13947, Apr. 13, 1977; 54 FR 20856, May 15, 1989; 55 FR 18888, May 7, 1990]

#### § 76.225 Commercial limits in children's programs.

- (a) No cable operator shall air more than 10.5 minutes of commercial matter per hour during children's programming on weekends, or more than 12 minutes of commercial matter per hour on weekdays.
- (b) The display of Internet Web site addresses during program material is permitted only if the Web site:
- (1) Offers a substantial amount of bona fide program-related or other noncommercial content;
- (2) Is not primarily intended for commercial purposes, including either ecommerce or advertising;
- (3) The Web site's home page and other menu pages are clearly labeled to distinguish the noncommercial from the commercial sections; and
- (4) The page of the Web site to which viewers are directed by the Web site address is not used for e-commerce, advertising, or other commercial purposes (e.g., contains no links labeled 'store" and no links to another page with commercial material).
- (c) The display of Web site addresses in children's programs is prohibited during both program material and commercial material when the site uses characters from the program to sell products or services.
- (d) This rule shall not apply to programs aired on a broadcast television channel which the cable operator pas-

sively carries, or to access channels over which the cable operator may not exercise editorial control, pursuant to 47 U.S.C. 531(e) and 532(c)(2).

NOTE 1 TO §76.225: Commercial matter means air time sold for purposes of selling a product or service and promotions of television programs or video programming services other than children's educational and informational programming.

NOTE 2 TO \$76.225: For purposes of this section, children's programming refers to programs originally produced and broadcast primarily for an audience of children 12 years

old and younger.

NOTE 3 TO §76.225: Section 76.1703 contains recordkeeping requirements for cable operators with regard to children's programming.

[56 FR 19616, Apr. 29, 1991, as amended at 65 FR 53615, Sept. 5, 2000; 70 FR 38, Jan. 3, 2005]

EFFECTIVE DATE NOTE: At 71 FR 5177, Feb. 1, 2006, in §76.225, paragraphs (b) and (c) and Note 1 were stayed until further notice, effective Feb. 1, 2006.

#### § 76,227 [Reserved]

#### Subpart H—General Operating Requirements

#### § 76.309 Customer service obligations.

- (a) A cable franchise authority may enforce the customer service standards set forth in paragraph (c) of this section against cable operators. The franchise authority must provide affected cable operators ninety (90) days written notice of its intent to enforce the standards.
- (b) Nothing in this rule should be construed to prevent or prohibit:
- (1) A franchising authority and a cable operator from agreeing to customer service requirements that exceed the standards set forth in paragraph (c) of this section;
- (2) A franchising authority from enforcing, through the end of the franchise term, pre-existing customer service requirements that exceed the standards set forth in paragraph (c) of this section and are contained in current franchise agreements:
- (3) Any State or any franchising authority from enacting or enforcing any consumer protection law, to the extent not specifically preempted herein; or
- (4) The establishment or enforcement of any State or municipal law or regulation concerning customer service

that imposes customer service requirements that exceed, or address matters not addressed by the standards set forth in paragraph (c) of this section.

- (c) Effective July 1, 1993, a cable operator shall be subject to the following customer service standards:
- (1) Cable system office hours and telephone availability-
- (i) The cable operator will maintain a local, toll-free or collect call telephone access line which will be available to its subscribers 24 hours a day, seven days a week.
- (A) Trained company representatives will be available to respond to customer telephone inquiries during normal business hours.
- (B) After normal business hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day.
- (ii) Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis.
- (iii) The operator will not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless an historical record of complaints indicates a clear failure to comply.
- (iv) Under normal operating conditions, the customer will receive a busy signal less than three (3) percent of the time.
- (v) Customer service center and bill payment locations will be open at least during normal business hours and will be conveniently located.
- (2) Installations, outages and service calls. Under normal operating conditions, each of the following four standards will be met no less than ninety five (95) percent of the time measured on a quarterly basis:

(i) Standard installations will be performed within seven (7) business days after an order has been placed. "Standard" installations are those that are located up to 125 feet from the existing distribution system.

(ii) Excluding conditions beyond the control of the operator, the cable operator will begin working on "service interruptions" promptly and in no event later than 24 hours after the interruption becomes known. The cable operator must begin actions to correct other service problems the next business day after notification of the serv-

ice problem.

- (iii) The "appointment window" alternatives for installations, service calls, and other installation activities will be either a specific time or, at maximum, a four-hour time block during normal business hours. (The operator may schedule service calls and other installation activities outside of normal business hours for the express convenience of the customer.)
- (iv) An operator may not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment.
- (v) If a cable operator representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the customer.
- (3) Communications between cable operators and cable subscribers-
- (i) Refunds-Refund checks will be issued promptly, but no later than ei-
- (A) The customer's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or
- (B) The return of the equipment supplied by the cable operator if service is terminated.
- (ii) Credits-Credits for service will be issued no later than the customer's next billing cycle following the determination that a credit is warranted.
  - (4) Definitions-
- (i) Normal business hours-The term 'normal business hours' means those hours during which most similar businesses in the community are open to serve customers. In all cases, "normal

## Federal Communications Commission

business hours" must include some evening hours at least one night per week and/or some weekend hours.

(ii) Normal operating conditions-The term "normal operating conditions" means those service conditions which are within the control of the cable operator. Those conditions which are not within the control of the cable operator include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of the cable operator include, but are not limited to, special promotions, pay-perview events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the cable system.

(iii) Service interruption—The term "service interruption" means the loss of picture or sound on one or more cable channels.

Note to \$76.309: Section 76.1602 contains notification requirements for cable operators with regard to operator obligations to subscribers and general information to be provided to customers regarding service. Section 76.1603 contains subscriber notification requirements governing rate and service changes. Section 76.1619 contains notification requirements for cable operators with regard to subscriber bill information and operator response procedures pertaining to bill disputes.

[58 FR 21109, Apr. 19, 1993, as amended at 61 FR 18977, Apr. 30, 1996; 65 FR 53615, Sept. 5, 2000; 67 FR 1650, Jan. 14, 2002]

#### Subpart I—Forms and Reports

# § 76.403 Cable television system reports.

The operator of every operational cable television system that serves 20,000 or more subscribers shall file with the Commission a Form 325 soliciting general information and frequency and signal distribution information on a Physical System Identification Number ("PSID") basis. These forms shall be completed and filed with (returned to) the Commission within 60 days after the Commission notifies the operator that the form is due.

Note: The Commission retains its authority to require Form 325 to be filed by a sam-

pling of cable operators with less than 20,000 subscribers.

[64 FR 28108, May 25, 1999, as amended at 68 FR 27003, May 19, 2003]

#### Subpart J—Ownership of Cable Systems

#### § 76.501 Cross-ownership.

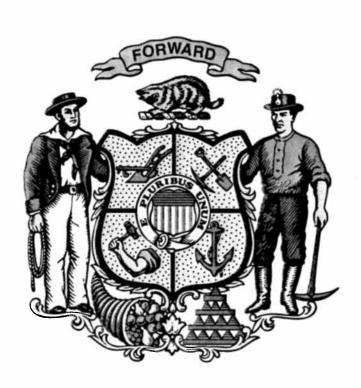
(a)-(c) [Reserved]

- (d) No cable operator shall offer satellite master antenna television service ("SMATV"), as that service is defined in §76.5(a)(2), separate and apart from any franchised cable service in any portion of the franchise area served by that cable operator's cable system, either directly or indirectly through an affiliate owned, operated, controlled, or under common control with the cable operator.
- (e)(1) A cable operator may directly or indirectly, through an affiliate owned, operated, controlled by, or under common control with the cable operator, offer SMATV service within its franchise area if the cable operator's SMATV system was owned, operated, controlled by or under common control with the cable operator as of October 5, 1992.
- (2) A cable operator may directly or indirectly, through an affiliate owned, operated, controlled by, or under common control with the cable operator, offer service within its franchise area through SMATV facilities, provided such service is offered in accordance with the terms and conditions of a cable franchise agreement.
- (f) The restrictions in paragraphs (d) and (e) of this section shall not apply to any cable operator in any franchise area in which a cable operator is subject to effective competition as determined under section 623(1) of the Communications Act.

NOTE 1 TO §76.501: Actual working control, in whatever manner exercised, shall be deemed a cognizable interest.

NOTE 2 TO § 76.501: In applying the provisions of this section, ownership and other interests in an entity or entities covered by this rule will be attributed to their holders and deemed cognizable pursuant to the following criteria:

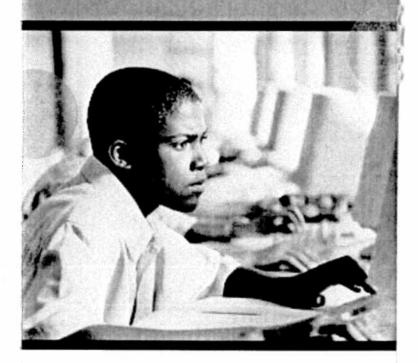
(a) Except as otherwise provided herein, partnership and direct ownership interests and any voting stock interest amounting to



PO Box 10554 • Chicago, Illinois 60610 www.maadd.org



expand access
promote education
provide opportunity
bridge the divide



# maaudd

Ministerial Alliance Against the Digital Divide

## about MAADD

The Ministerial Alliance Against the Digital Divide (MAADD) is a next generation civil rights organization founded to bridge the gap between those who have ready access to new technologies and those who do not. MAADD is based in Chicago but works nationally - with thousands of members actively engaged in our efforts across the country. Just as the Internet allows us to be a part of the global community, our mission is universal. We are all affected when some members of our community are disadvantaged by the digital divide.

Our members include individuals of all ethnicities and backgrounds from around the U.S. who are committed to eliminating the disparity that exists in our 21st century technologically-advanced society.

As the Internet becomes a fundamental part of everyday life for Americans and people around the world, it is imperative that all children have the opportunity to develop the basic knowledge and skills that they will need to compete in the technology-driven future.

MAADD strongly believes that providing underserved communities with access to the Internet and other emerging forms of technology will position these communities for a successful and productive future, but will also provide them with a means to participate in social activism on a massive scale.

# about the DIGITAL DIVIDE

Evidence suggests that lack of Internet use follows economic lines. A Pew Research Center study found that 31% of homes without Internet access have household incomes of less than \$30,000. Of that economic group, 75% of African Americans and 74% of Hispanics are not online.

Access does not necessarily mean that an Internet user is bridging the digital divide. A recent study that shows that 96% of children had been online within a week, but a serious divide still exists: quality. Children in economically disadvantaged communities attend schools without enough computers or high-speed moderns and with teachers who aren't trained. High-speed access costs more money, and without the ability to pay, these Internet users are left behind.

Contact Information

P.O. Box 10554 • Chicago, IL 60610

ph 866-297-0164 • fax 866-250-4824

email info@maadd.org • web www.maadd.org



PO BOX 10554 MINISTERIAL ALLIANCE AGAINST POSTAGE WILL BE PAID BY ADDRESSEE THE DIGITAL DIVIDE

CHICAGO IL 60610-9771



UNITED STATES MAILED IN THE

# what MAADD does

MAADD works through a massive grassroots effort to urge corporate and governmental decision-makers to do their part in eliminating the digital divide in our communities.

**MAADD** works through churches to raise public awareness about the issue of the digital divide.

MAADD partners with like-minded organizations to advance our common goal of bridging the digital divide.

**MAADD** holds rallies and demonstrations to ensure corporations are accountable to their community responsibilities in narrowing the digital divide.

**MAADD** encourages public and private investment in technology and training in our communities — particularly in minority communities and those that are economically disadvantaged.

**MAADD** works with local, state, and federal elected officials to discuss solutions to the digital divide.

**MAADD** promotes the use of technology as an efficient way to highlight social justice issues by harnessing the voice of the community.



# who WE ARE

MAADD is devoted to bridging the digital divide between those who have ready access to technology and those who do not. The organization is led by its founders, three Chicagoland-based ministers:



Rev. James L. Demus III is Senior Pastor of Park Manor Christian Church and former executive director of the Chicago South Side Branch of NAACP. He is a long-time advocate of Chicago Public Schools and works diligently to spread the message of MAADD's mission.



Rev. Dr. Walter B. Johnson, Jr. is Pastor for Wayman African Methodist Episcopal Church and was named as Chicago Magazine's Chicagoan of the Year in 1999. He is known for his commitment to violence prevention through education and works to disseminate technological tools throughout the Chicago Public School system.



Rev. Dr. William H. Samuels is Pastor at Community Commonwealth Church and director of Push for Excellence. As a former elementary school instructor, he understands the importance of pro-active approaches early in the educational life of a child.

# § what YOU can do

Join us! Join forces with us and make our nationwide alliance even more powerful! Becoming a MAADD member is free and easy. Just one simple step will help us eliminate the digital divide: Just fill out the tear-off card on this brochure and mail it back to us. We will not sell your information to anyone.

You can help us bridge the Divide by: writing a letter about your concerns to the editor of your local newspaper; by telling your friends and neighbors about MAADD and urging them to join; by sharing your gift of knowledge with your community schools to bring technology training and education to teachers and students; by boycotting local and national companies that don't act responsibly.

1117

NAME

CITY/STATE/ZIP



ADDRESS

HOME PHONE

WORK PHONE

E-MAIL ADDRESS

Please tear off and drop in the mail Alternatively, you can fax the form 1 at 866-250-4824

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